THE TWENTY-FIRST ANNUAL REPORT

(1986)

TO THE CONGRESS ON THE OPERATION OF

THE AUTOMOTIVE PRODUCTS

TRADE ACT

OF

1965

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CONTENTS

I. SUMMARY: NORTH AMERICAN AUTOMOTIVE INDUSTRY..... iv

II. GOVERNMENT ACTIONS..... v

III. STATISTICAL NOTE..... vii

Table 1. -- U.S. MOTOR VEHICLE PRODUCTION - CALENDAR YEARS 1965 and 1970-1986..... 1

Table 2. -- CANADIAN MOTOR VEHICLE PRODUCTION - CALENDAR YEARS 1965 and 1970-1986..... 2

Table 3. -- RETAIL SALES OF MOTOR VEHICLES, 1965 and 1970-1986, SALES IN THE UNITED STATES..... 3

Table 3A. -- RETAIL SALES OF MOTOR VEHICLES, 1965 and 1970-1986, SALES IN CANADA..... 4

Table 4. -- U.S.-CANADIAN CAPITAL EXPENDITURES, 1977-1986..... 5

Table 5.-- PRICE OF TYPICAL SUBCOMPACT 3-DOOR HATCHBACK WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1984-1987..... 6

Table 6. -- PRICE OF TYPICAL 4-DOOR SEDAN, WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1984-1987..... 7

Table 7. -- PRICE OF TYPICAL 2-DOOR SEDAN, WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1984-1987..... 8

Table 8. -- Price Indexes for Automotive Equipment in the United States Annual Average 1965 and 1970-1986..... 9

Table 9. -- Price Indexes for Automotive Equipment in Canada Annual Average 1971-1986..... 10

Table 10. -- Total Employment in the U.S. Automotive Products Industry, Based on U.S. 1972 Standard Industrial Classification (SIC), Annual Average 1972-1986..... 11

Table 11. -- Average Monthly Employment in the Canadian Automotive Products Industry, Based on Canadian 1960 & 1970 Standard Industrial Classification (SIC) Annual Average 1972-1986..... 12

Table 12. -- U.S.-CANADIAN TRADE IN AUTOMOTIVE PRODUCTS, 1964 and 1979-1986; U.S. EXPORTS TO CANADA/U.S. IMPORTS FROM CANADA..... 13

Table 13. -- UNITED STATES AUTOMOTIVE EXPORTS TO CANADA, CALENDAR YEARS 1984-1986..... 14

Table 14. -- UNITED STATES AUTOMOTIVE IMPORTS FROM CANADA, CALENDAR YEARS 1984-1986..... 15

Table 15. -- VALUE OF CANADIAN MOTOR VEHICLES AND ORIGINAL MOTOR VEHICLE EQUIPMENT (CANADIAN ARTICLES) IMPORTED DUTY-FREE FROM CANADA INTO THE UNITED STATES UNDER THE AUTOMOTIVE PRODUCTS TRADE ACT OF 1965 (APTA), BY TSUSA NUMBER, 1983-1986..... 16

Table 16. -- U.S. AUTOMOTIVE TRADE, TOTAL WITH ALL COUNTRIES, WITH CANADA, AND WITH ALL COUNTRIES EXCEPT CANADA, 1984-1986... 26

Table 17. -- U.S. AUTOMOTIVE EXPORTS, CALENDAR YEARS 1984-1986 27

Table 18. -- U.S. AUTOMOTIVE IMPORTS, CALENDAR YEARS 1984-1986 28

Table 19. -- TOTAL U.S. TRADE (ALL COMMODITIES) WITH THE WORLD AND WITH CANADA, CALENDAR YEARS 1965 AND 1983-1986..... 29

Table 20. -- CANADIAN AUTOMOTIVE EXPORTS, CALENDAR YEARS 1984-1986.. 30

Table 21. -- CANADIAN AUTOMOTIVE IMPORTS, CALENDAR YEARS 1984-1986.. 31

Table 22. -- CANADIAN AUTOMOTIVE TRADE, TOTAL WITH ALL COUNTRIES, WITH UNITED STATES, AND WITH ALL OTHER COUNTRIES EXCEPT THE UNITED STATES 1984-1986..... 32

III.APPENDIXES

Appendix A - Auto Pact Implementation

Background..... 33

I. U.S. Implementation..... 34

A. Coverage and GATT Treatment..... 34

B. "Bona Fide" Motor Vehicle Manufacturers..... 34

II. Canadian Implementation..... 35

A. Orders in Council..... 35

B. Safeguards..... 36

C. Non-Auto Pact Imports..... 36

Appendix B - Text of Agreement..... 37

Appendix C - Automotive Products Trade Act of 1965..... 40

Appendix D - Presidential Proclamation Implementing the Agreement..... 49

Appendix E - List of United States Bona Fide Motor Vehicle Manufacturers..... 50

Appendix F - List of Canadian Bona Fide Motor Vehicle Manufacturers..... 60

SUMMARY

NORTH AMERICAN AUTOMOTIVE INDUSTRY[1]

- North American (U.S./Canadian) motor vehicle production in 1986 totalled 13.18 million units, a 3 percent decrease from 1985. Market share remained virtually unchanged from 1985, with the United States and Canada accounting for 86 and 14 percent, respectively, of North American motor vehicle production.

- Total North American retail sales of motor vehicles, including imports, reached 17.83 million units in 1986, an increase of 3.3 percent over 1985. Of these sales, 91.5 percent were sales in the United States, up from 91.1 percent in 1985, while 8.5 percent were sales in Canada, down from 8.9 percent in 1985.

- Total North American capital expenditures on plant and equipment by the "big four" were $10.9 billion in 1986, down 1.2 percent from $11.0 billion in 1985. The U.S. share was 91.5 percent and the Canadian share was 8.5 percent.

- In the United States, capital expenditures for plant and equipment by the "big four" declined 3.9 percent to $9.9 billion. In Canada, capital expenditures rose to $925.7 million, an increase of 40 percent over 1985.

- The Consumer Price Index increased 4 percent for automobiles in the United States and in Canada. Factory list prices of selected 1987 models (models introduced in 1986) remained significantly lower in Canada, priced in U.S. dollars, than the same models in the United States.

- Employment in the North American automotive industry averaged 1.1 million in 1986 nearly unchanged from 1985. The U.S. share of total employment was 88.4 percent and the Canadian share was 11.6 percent.

- Overall U.S. automotive shipments to Canada and Canadian shipments to the United States remained stable in 1986 compared to 1985. However, there were changes within major categories.

- The U.S. deficit with Canada increased by 1.5 percent from $3.28 billion in 1985 to $3.33 billion in 1986. The deficit in car trade increased by 14.6 percent while the deficit in truck trade decreased by 23.7 percent. The U.S. parts surplus with Canada continued and increased by 1.7 percent.

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[1] All references to trade between the U.S. and Canada are based on data from Table 12. References to U.S. and Canadian trade with other countries is based on Tables 16 or 22.

- U.S. export of cars to Canada decreased by 1 percent from 1985 to 1986. This decrease was offset by an increase in truck exports to Canada.

- Canadian exports of cars to the United States rose 5.8 percent from 1985 to 1986. Canada mainly produces intermediate and full-size models for which there is continuing demand in the United States.

- U.S. truck exports to Canada increased by 8 percent while Canadian exports to the United States fell by 11 percent.

- U.S. parts exports to Canada remained stable while Canadian exports to the United States decreased by 1.2 percent.

- The U.S. automotive deficit with all countries except Canada increased to $49.1 billion in 1986, a 36 percent increase from $36.1 billion in 1985. From 1985 to 1986, the deficit in trade with countries other than Canada increased 36.1 percent in car trade, 27.5 percent in truck trade and 44.6 percent in parts trade.

- U.S. exports of automotive products to all countries except Canada increased by 2.6 percent to $5 billion. Imports from countries other than Canada increased by 32.1 percent to $54.1 billion.

- Canadian exports of automotive products to all countries except the United States rose by 15.6 percent to $490 million while imports rose 22.8 percent to $4.1 billion.

GOVERNMENT ACTIONS AFFECTING THE AUTOMOTIVE INDUSTRY

- In March 1986, President Reagan received negotiating authority to enter into a comprehensive free trade agreement with Canada. By the end of 1986, the Auto Pact had not been addressed, although discussions were underway on several generic issues which would directly or indirectly have an impact on the automotive industry.

- In 1986, the Japanese extended their Voluntary Export Restraint (VER) to the United States limiting shipments of passenger cars and multi-purpose vehicles to 2.4 million units. The Japanese VER with Canada was not officially extended, but assurances were given that there would be no disruption of the Canadian market.

- Currency realignments between the yen, European currencies and North American currencies raised prices and caused a decline in sales of European models in the United States but had relatively little impact on sales of Japanese producers. The Japanese were able to effectively offset most of the negative price impact by cutting production costs, reducing profit margins and limiting price increases.

- In 1986, the Corporate Average Fuel Economy (CAFE) standard for cars was reduced to 26.0 miles per gallon from 27.5.

Statistical Note

A series of consultations in 1970 between government statistical experts from both the United States and Canada led to an agreement to cooperate in the preparation of a complete accounting of automotive products trade.

The export statistics of neither country are sufficiently detailed to reflect accurately all trade covered by the Agreement. This situation mainly results from trade in components that are not exclusively automotive-related (e.g., pipe fittings, engine parts, fabric for seat covers, etc.). A joint U.S.-Canadian committee studying overall bilateral trade statistics found that a substantial amount of automotive product exports is never reported.[2]

Accordingly, the two nations agreed that each would use its own statistics (in which all products eligible for duty-free treatment are broken down separately) to report imports and the other country's import statistics to report exports. Tables 12, 13, 14, the "Trade with Canada" section of Table 16, and the line for Canadian exports on Table 17 were prepared using this method which is accepted by the United States and Canada as the most accurate way to measure trade under the Agreement.

The U.S. import trade data for 1978 through 1981 reflects "free alongside ship" (f.a.s.) import values -- the actual transaction values of imports at the port of exportation -- as published by the Bureau of the Census. Starting in 1982, Census discontinued its use of f.a.s. data for compilation of import statistics. Import data for the years 1983-1986 in Tables 12, 14, 16 and 18 are now "customs value basis" statistics -- the U.S. Custom Service's appraised value of imports pursuant to Section 402 and 402a of the Tariff Act of 1930, as amended.

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[2] The study titled The Reconciliation of U.S.-Canada Trade Statistics 1970, a Report by the U.S.-Canada Trade Statistics Committee, was published jointly by the U.S. Department of Commerce, Bureau of the Census, and Statistics Canada.

TABLE 1.--U.S. MOTOR VEHICLE PRODUCTION
CALENDAR YEARS 1965 and 1970-1986
(Thousands of Units)

Year	Passenger Cars	Trucks and Buses	Total
1965	9,335.2	1,802.6	11,137.8
1970	6,550.1	1,733.8	8,283.9
1971	8,583.7	2,088.0	10,671.7
1972	8,828.2	2,482.5	11,310.7
1973	9,667.1	3,014.4	12,681.5
1974	7,324.5	2,746.5	10,071.0
1975	6,716.9	2,269.6	8,986.5
1976	8,497.9	2,999.7	11,497.6
1977	9,213.6	3,489.1	12,702.7
1978	9,176.6	3,722.6	12,899.2
1979	8,433.7	3,046.3	11,480.0
1980	6,375.5	1,632.8	8,008.3
1981	6,253.1	1,689.8	7,942.9
1982	5,073.5	1,912.1	6,985.6
1983	6,781.2	2,443.6	9,224.8
1984	7,773.3	3,151.5	10,924.8
1985	8,184.8	3,467.9	11,652.7
1986	7,828.8	3,490.2	11,319.0

Source: Motor Vehicle Manufacturers' Association, MVMA Motor Vehicles Facts and Figures '86

Motor vehicle production in the United States totalled 11.32 million units in 1986, a decrease of 2.9 percent from 1985. U.S. passenger car production declined for the first time since 1982, decreasing by 4.3 percent from 1985 to 1986. The U.S. share of North American car production totalled 88.1 percent in 1986, down from 88.4 percent in 1985 and slightly below an average of 88.4 percent over the last ten years.

United States truck and bus production showed a slight increase of 0.6 percent over 1985, remaining 6.2 percent below its peak level of 3.72 million units in 1978. U.S. truck production of 3.49 million units in 1986 amounted to 81.4 percent of U.S./Canadian production, a modest increase from the 80.1 percent share in 1985, and slightly below an average of 81.9 percent for the last ten years.

The increase in the U.S. share of U.S./Canadian truck production was due mainly to a 7.2 percent decline in Canadian truck production.

TABLE 2.--CANADIAN MOTOR VEHICLE PRODUCTION
CALENDAR YEARS 1965 and 1970-1986
(Thousands of Units)

YEAR	PASSENGER CARS	TRUCKS & BUSES	TOTAL
1965	706.8	139.8	846.6
1970	940.4	253.2	1,193.6
1971	1,095.9	276.7	1,372.6
1972	1,154.5	319.9	1,474.4
1973	1,227.4	347.4	1,574.8
1974	1,187.9	376.0	1,563.9
1975	1,058.4	390.9	1,449.3
1976	1,146.3	500.6	1,646.9
1977	1,167.3	602.6	1,769.9
1978	1,162.4	656.1	1,818.5
1979	996.7	634.9	1,631.6
1980	846.8	527.5	1,374.3
1981	783.7	496.8	1,280.5
1982	787.8	447.8	1,235.6
1983	945.5	546.8	1,492.3
1984	1,023.4	811.7	1,835.1
1985	1,070.9	859.5	1,930.4
1986	1,061.9	797.9	1,859.8

Source: Statistics Canada

Motor vehicle production in Canada declined to 1.86 million units in 1986, 3.7 percent below the 1985 level. Passenger car production remained relatively stable at 1.06 million cars, decreasing slightly by 0.8 percent from 1985, 13.5 percent below the 1973 peak of 1.2 million cars. The Canadian share of North American car production totalled 11.9 percent in 1986, slightly above an average of 11.6 percent over the last ten years.

Production of trucks and buses fell by 7.2 percent from 1985 to 797.9 thousand vehicles. Canadian truck and bus production in 1986 amounted to 18.6 percent of U.S./Canadian production, down from 19.9 percent in 1985 but still slightly above an average of 18.1 percent for the last ten years.

TABLE 3

RETAIL SALES OF MOTOR VEHICLES, 1965 and 1970-1986
(Thousands of Units)
SALES IN THE UNITED STATES

	AUTOMOBILES			TRUCKS			
Year	North American Type	Overseas Import Type	TOTAL	North American Type	Overseas Import Type	TOTAL	TOTAL VEHICLE
1965	8,763	569	9,332	1,539	14	1,553	10,885
1970	7,119	1,281	8,400	1,746	65	1,811	10,211
1971	8,681	1,561	10,242	2,011	85	2,096	12,338
1972	9,327	1,613	10,940	2,486	143	2,629	13,569
1973	9,676	1,748	11,424	2,916	232	3,148	14,572
1974	7,454	1,399	8,853	2,512	176	2,688	11,541
1975	7,053	1,571	8,624	2,249	229	2,478	11,102
1976	8,611	1,499	10,110	2,944	237	3,181	13,291
1977	9,109	2,074	11,183	3,352	323	3,675	14,858
1978	9,312	2,002	11,314	3,773	336	4,109	15,423
1979	8,341	2,332	10,673	3,010	470	3,480	14,153
1980	6,581	2,398	8,979	2,001	487	2,488	11,467
1981	6,209	2,327	8,536	1,809	451	2,260	10,796
1982	5,759	2,223	7,982	2,146	414	2,560	10,542
1983	6,795	2,387	9,182	2,658	471	3,129	12,311
1984	7,952	2,439	10,391	3,475	618	4,093	14,484
1985	8,205	2,838	11,043	3,903	780	4,683	15,726
1986	8,215	3,238	11,453	3,921	949	4,870	16,323

Source: Motor Vehicle Manufacturers' Association and Ward's Reports

U.S. sales rose 3.8 percent to 16.3 million units in 1986. Sales of automobiles rose 3.7 percent and trucks rose 4 percent.

Import penetration in the United States rose from 23 to 25.7 percent of the motor vehicle market. Import penetration in the automobile sector rose to 28.3 percent, up from 25.7 percent in 1985, and in the truck sector, import penetration rose from 16.7 to 19.5 percent.

TABLE 3A
RETAIL SALES OF MOTOR VEHICLES, 1965 and 1970-1986
(Thousands of Units)
SALES IN CANADA

	AUTOMOBILES			TRUCKS			
Year	North American Type	Overseas Import Type	TOTAL	North American Type	Overseas Import Type	TOTAL	TOTAL VEHICLE
1965	634	75	709	120	2	122	831
1970	497	143	640	125	9	134	774
1971	592	188	780	147	13	160	940
1972	654	205	859	190	17	207	1,066
1973	783	188	971	235	20	255	1,226
1974	797	146	943	288	19	307	1,250
1975	836	154	990	310	17	327	1,317
1976	793	153	946	331	14	345	1,291
1977	798	194	992	338	16	354	1,346
1978	816	173	989	364	13	377	1,366
1979	864	139	1,003	381	12	393	1,396
1980	747	191	938	310	21	331	1,269
1981	647	257	904	251	36	287	1,191
1982	489	224	713	167	40	207	920
1983	625	218	843	193	45	238	1,081
1984	725	246	971	274	39	313	1,284
1985	795	342	1,137	345	48	393	1,530
1986	763	326	1,089	369	51	420	1,509

Source: Statistics Canada
Note: Figures may not add to totals due to rounding

Canadian sales of motor vehicles declined 1.4 percent compared with an increase of 19.2 percent in 1985. Automobile sales were down by 4.2 percent compared to an increase of 17.1 percent in 1985. Truck sales increased by 6.9 percent, down from a 25.6 percent increase in 1985.

Import penetration in Canada declined slightly from 25.5 to 25.0 percent of the motor vehicle market. Import penetration in the automobile sector declined from 30.1 to 29.9 percent and in the truck sector remained about the same at 12.1 percent.

Table 4

Expenditures on Plant & Equipment By the Big 4 in the United States & Canada

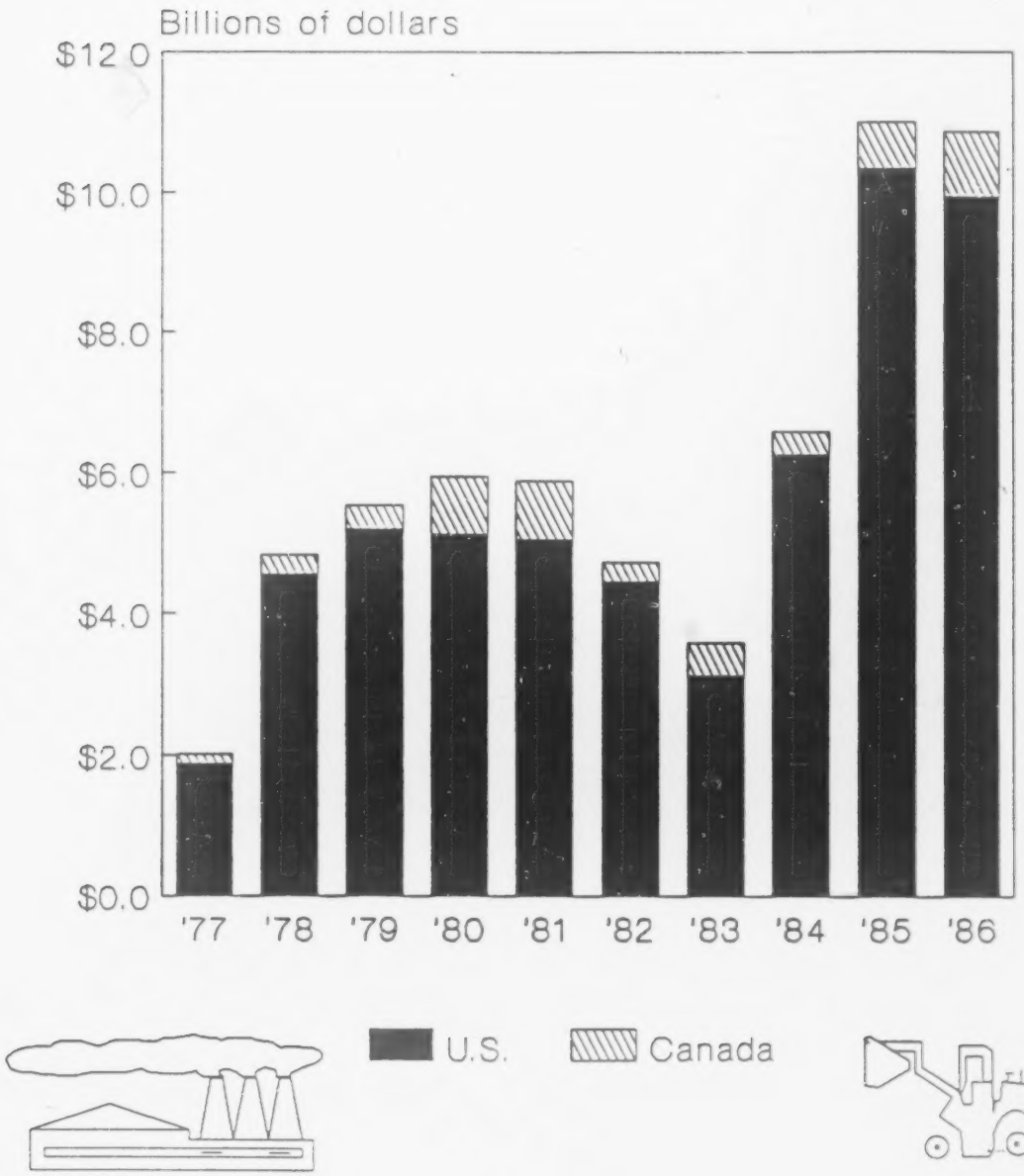

TABLE 5. -- PRICE OF TYPICAL SUBCOMPACT 3-DOOR HATCHBACK WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1984-1987

	Price in United States Dollars	Price in Canada		Canadian Price Differential Over (Under) U.S. Price	
		Canadian Dollars	United States Dollars 4/	Amount U.S. Dollars	Percent
1984 Model Introduction					
Factory List Price 1/	6,337	7,126	5,784	(553)	(8.7)
Sales/Excise Tax 2/	7	641	520	513	
Manufacturer's Suggested Retail Price 3/	6,344	7,767	6,304	(40)	(0.6)
1985 Model Introduction					
Factory List Price 1/	6,260	7,576	5,757	(503)	(8.0)
Sales/Excise Tax 2/					
Manufacturer's Suggested Retail Price 3/	6,260	7,576	5,757	(503)	(8.0)
1986 Model Introduction					
Factory List Price 1/	6,582	7,970	5,818	(764)	(11.6)
Sales/Excise Tax 2/					
Manufacturer's Suggested Retail Price 3/	6,582	7,970	5,818	(764)	(11.6)
1987 Model Introduction					
Factory List Price 1/	7,219	8,895	6,709	(510)	(7.1)
Sales/Excise Tax 2/					
Manufacturer's Suggested Retail Price 3/	7,219	8,895	6,709	(510)	(7.1)

1/ Prices are quoted for identical cars with comparable standard equipment at the time they were introduced as 1984, 1985, 1986 and 1987 models.
2/ Canadian sales tax (in 1985, Canada shifted the manufacturer's sales tax on motor vehicles to the wholesale level); U.S. excise tax on passenger cars and light trucks repealed as of August 15, 1971, except for tires. Effective January 1, 1984 U.S. excise tax on tires under 40 pounds was repealed.
3/ Manufacturer's suggested retail price includes factory list price, federal sales tax or excise tax including that on tires and tube, and dealer delivery and handling, but excludes destination charges, state and local taxes, license and title fees.
4/ Canadian dollars converted to U.S. dollars at following exchange rates: $1.00 Canadian = $0.81294 U.S., model year 1983; $0.81169 U.S., model year 1984; $0.76 U.S., model year 1985; $0.72 U.S., model year 1986; $0.75420 U.S., model year 1987.

Factory list prices for selected models in Canada (1987 models introduced in 1986) were 7.1 to 24.2 percent lower than the same models in the United States. For the same 1986 models introduced in 1985, prices ranged from 11.6 to 21.4 percent lower in Canada (see Tables 6 and 7). Price differentials reflected the diverse market conditions between the U.S. and Canadian motor vehicle markets.

TABLE 6. -- PRICE OF TYPICAL 4-DOOR SEDAN, WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1984-1987

	Price in United States Dollars	Price in Canada		Canadian Price Differential Over (Under) U.S. Price	
		Canadian Dollars	United States Dollars 4/	Amount U.S. Dollars	Percent
1984 Model Introduction					
Factory List Price 1/	7,581	8,067	6,548	(1,033)	(13.6)
Sales/Excise Tax 2/	8	617	501	493	
Manufacturer's Suggested Retail Price 3/	7,589	8,684	7,049	(540)	(7.1)
1985 Model Introduction					
Factory List Price 1/	7,792	8,217	6,245	(1,547)	(19.9)
Sales/Excise Tax 2/		698	530	530	
Manufacturer's Suggested Retail Price 3/	7,792	8,915	6,775	(1,017)	(13.1)
1986 Model Introduction					
Factory List Price 1/	8,207	8,692	6,452	(1,755)	(21.4)
Sales/Excise Tax 2/		762	549	549	
Manufacturer's Suggested Retail Price 3/	8,207	9,454	7,001	(1,206)	(14.7)
1987 Model Introduction					
Factory List Price 1/	8,364	8,411	6,344	(2,020)	(24.2)
Sales/Excise Tax 2/		888	670	670	
Manufacturer's Suggested Retail Price 3/	8,364	9,299	7,014	(1,350)	(16.1)

1/ Prices are quoted for identical cars with comparable standard equipment at the time they were introduced as 1984, 1985, 1986 and 1987 models.

2/ Canadian sales tax (in 1985, Canada shifted the manufacturer's sales tax on motor vehicles to the wholesale level); U.S. excise tax on passenger cars and light trucks repealed as of August 15, 1971, except for tires. Effective January 1, 1984 U.S. excise tax on tires under 40 pounds was repealed.

3/ Manufacturer's suggested retail price includes factory list price, federal sales tax or excise tax including that on tires and tube, and dealer delivery and handling, but excludes destination charges, state and local taxes, license and title fees.

4/ Canadian dollars converted to U.S. dollars at following exchange rates: $1.00 Canadian = 0.81294 U.S., model year 1983; 0.81169, model year 1984; $0.76 U.S., model year 1985; $0.72 U.S., model year 1986; $0.75420 U.S., model year 1987.

TABLE 7. -- PRICE OF TYPICAL 2-DOOR SEDAN, WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1984-1987

	Price in United States Dollars	Price in Canada		Canadian Price Differential Over (Under) U.S. Price	
		Canadian Dollars	United States Dollars 4/	Amount U.S. Dollars	Percent
1984 Model Introduction					
Factory List Price 1/	7,702	8,739	7,093	(609)	(7.9)
Sales/Excise Tax 2/	9	678	550	541	
Manufacturer's Suggested Retail Price 3/	7,711	9,417	7,643	(68)	(0.9)
1985 Model Introduction					
Factory List Price 1/	8,102	9,213	7,001	(1,101)	(13.6)
Sales/Excise Tax 2/		768	584	584	
Manufacturer's Suggested Retail Price 3/	8,102	9,981	7,585	(517)	(6.4)
1986 Model Introduction					
Factory List Price 1/	8,735	9,957	7,169	(1,566)	(17.9)
Sales/Excise Tax 2/		997	718	718	
Manufacturer's Suggested Retail Price 3/	8,735	10,954	7,887	(848)	(9.7)
1987 Model Introduction					
Factory List Price 1/	9,995	11,572	8,728	(1,267)	(12.7)
Sales/Excise Tax 2/		1,158	873	873	
Manufacturer's Suggested Retail Price 3/	9,995	12,730	9,601	(394)	(3.9)

1/ Prices are quoted for identical cars with comparable standard equipment at the time they were introduced as 1984, 1985, 1986 and 1987 models.

2/ Canadian sales tax (in 1985, Canada shifted the manufacturer's sales tax on motor vehicles to the wholesale level); U.S. excise tax on passenger cars and light trucks repealed as of August 15, 1971, except for tires. Effective January 1, 1984 U.S. excise tax on tires under 40 pounds was repealed.

3/ Manufacturer's suggested retail price includes factory list price, federal sales tax or excise tax including that on tires and tube, and dealer delivery and handling, but excludes destination charges, state and local taxes, license and title fees.

4/ Canadian dollars converted to U.S. dollars at following exchange rates: $1.00 Canadian = $0.81294 U.S., model year 1983; $0.81169 U.S., model year 1984; $0.76 U.S., model year 1985; $0.72 U.S., model year 1986; $0.75420 U.S., model year 1987.

Factory list prices, rather than the manufacturers' suggested retail price, have been selected as the basis for automotive price comparisons given the differing tax structures of the United States and Canada. Canada has a federal sales tax on passenger cars (10 percent in 1984 and 1985, which increased to 11 percent on January 1, 1986) that is included in the suggested retail price; the United States' suggested retail price does not include such a tax.

Table 8. -- Price Indexes for Automotive Equipment
in the United States Annual Average 1965 and 1970-1986
(1982=100)

Year	Producer price index			Consumer price index
	Passenger Cars	Motor Trucks 1/	Motor Vehicle Parts 2/	New Passenger Cars
1965	47.0	37.5	--	49.7
1970	50.0	42.0	32.9	53.0
1971	52.6	45.3	35.1	55.2
1972	54.0	46.2	36.4	54.7
1973	54.2	47.0	37.3	54.8
1974	57.8	52.3	41.5	57.9
1975	63.0	56.9	49.9	62.9
1976	66.8	60.4	52.8	66.9
1977	70.7	64.8	56.5	70.4
1978	75.9	70.5	60.3	75.8
1979	81.9	76.4	65.2	81.8
1980	88.9	83.3	72.9	88.4
1981	96.2	95.0	92.4	93.7
1982	100.0	100.0	100.0	97.4
1983	102.2	102.6	101.7	99.9
1984	104.0	106.7	102.0	102.8
1985	106.9	112.2	102.5	106.1
1986	110.2	117.7	103.4	110.6

1/ Trucks 10,000 pounds and under.
2/ The index for "motor vehicle parts" was first computed in 1967. Comparable data for earlier years are not available.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

During 1986, the producer price index for cars averaged 110.2, an increase of 3.1 percent compared to 2.8 during the 1984-1985 period. The producer price index for motor trucks in the United States rose 4.9 percent, down from the 5.2 percent increase in 1985. There was a positive 0.9 percent change in the producer price index for parts, a slight increase over 1985. The U.S. consumer price index for new passenger cars jumped from an increase of 3.2 percent in 1985 to 4.2 percent in 1986, the largest such increase since a 1980-1981 increase of 6.0 percent.

Table 9. -- Price Indexes for Automotive Equipment in Canada
Annual Average 1971-1986
(1981=100)

Year	Industrial Product Price Indexes by Commodity					Consumer Price Index
	Passenger Cars			Trucks Domestic 1/	Motor Vehicle Parts 1/	New Passenger Cars
	Total	Domestic 1/	Export 1/			
1971	52.0					49.9
1972	52.7					50.9
1973	52.3					51.1
1974	55.4					54.7
1975	59.3					58.3
1976	61.0					61.7
1977	65.7					65.8
1978	71.0					71.6
1979	79.6					80.3
1980	89.5					89.7
1981	100.0	100.0	100.0	100.0	100.0	100.0
1982	106.2	105.6	106.3	106.2	108.7	104.7
1983	111.5	109.7	112.0	112.4	110.9	108.8
1984	119.4	113.5	120.8	117.0	114.7	113.3
1985	130.8	119.4	126.0	123.4	120.2	118.6
1986	139.6	125.3	142.3	129.1	123.2	128.3

1/ Historic data for this series is not available.
Source: Statistics Canada
Prepared by: U.S. Department of Labor, Bureau of Labor Statistics

The Canadian industrial selling price index for passenger cars increased from 1985 by 6.7 percent. The industrial selling price index for trucks increased 4.6 percent in 1986 compared with a 5.5 percent increase in 1985. In the parts and accessories sector, the industrial selling price index increased by 2.5 percent in 1986 after a 4.8 percent increase in 1985.

Meanwhile, the Canadian consumer price index for passenger cars rose 8.2 percent compared to a 4.7 percent increase from 1984-1985.

Table 10.--Total Employment in the U.S. Automotive Products Industry, Based on U.S. 1972 Standard Industrial Classification (SIC), Annual Average 1972-1986 (Thousands of Employees)

Year	Total Motor Vehicles and Equipment (SIC 371)1/	Motor Vehicles and Passenger Car Bodies (SIC 3711)	Truck and Bus Bodies (SIC 3713)	Parts and Accessories (SIC 3714)	Automotive Stampings (SIC 3465)
1972	874.8	415.2	46.1	383.0	104.5
1973	976.5	461.6	51.3	429.9	110.9
1974	907.7	416.2	54.8	402.7	95.5
1975	792.4	375.3	45.5	352.0	82.1
1976	881.0	415.9	43.7	399.0	99.5
1977	947.3	443.0	45.8	426.5	110.7
1978	1,004.9	469.8	45.3	451.9	118.3
1979	990.4	463.0	46.1	441.1	117.6
1980	788.8	368.1	39.7	349.5	95.3
1981	788.7	358.7	37.0	363.3	93.7
1982	699.3	317.5	31.5	323.3	81.4
1983	753.7	349.1	32.0	339.5	86.8
1984	861.7	391.6	36.1	388.3	100.0
1985	883.5	408.5	37.1	394.4	106.2
1986	872.4	400.0	38.6	390.2	103.4

1/ SIC 371 also includes 3715 - truck trailers and 3716 - motor homes which are not separately listed on this table.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Average 1986 employment in the U.S. automotive industry (SIC 371 and 3465) declined by 1.4 percent to 975.8 employees, the first decline since 1981-1982, reflecting industry's cost cutting efforts.

Employment in the motor vehicle (SIC 3711 and 3713) and parts (3714) sectors declined 1.4 percent to 828.8 thousand employees compared with 840 thousand in 1985. Employment in the stamping sector also declined, falling by 2.6 percent from 1985 to 1986.

Table 11.--Average Monthly Employment in the Canadian Automotive Products Industry Based on Canadian 1960 & 1970 Standard Industrial Classification (SIC) 1972-1986
(Thousands of Employees)

Year	Vehicles and Equipment (SIC 323-5)	Assembling (SIC 323)	Total Motor Truck Body & Trailers (SIC 324)	Parts & Accessories (SIC 325)
1972 1/	97.5	41.9	14.2	41.4
1973	108.8	45.2	14.8	48.8
1974	109.2	47.1	15.2	45.9
1975	99.0	43.4	14.4	41.2
1976	106.6	46.4	14.0	46.2
1977	111.9	50.8	12.6	48.5
1978	117.4	52.6	13.6	51.2
1979	116.7	52.9	14.8	49.0
1980	97.0	44.5	12.9	39.6
1981	98.4	43.7	12.1	42.6
1982	91.0	43.0	8.6	39.4
1983 2/	111.1	44.4	11.5	55.2
1984	118.9	49.5	12.5	56.9
1985	124.2	50.4	13.5	60.3
1986	127.6	49.9	14.1	63.6

1/ Old Survey Data: 1960 industrial classification and establishments with 20 or more employees.
2/ New Survey Data: 1970 industrial classification and establishments of all sizes and new sample survey.
Source: Statistics Canada.
Prepared by: U.S. Department of Labor, Bureau of Labor Statistics.

Average monthly automotive employment in Canada totalled 127,600 in 1986, a 2.7 percent increase from 1985. The level of employment in the automotive assembly sector declined by 1 percent, the first decline since 1981-1982. Truck body and trailer employment increased by 4.4 percent and the employment level in the parts and accessory sector increased 5.5 percent from 1985.

TABLE 12
U.S.-CANADIAN TRADE IN AUTOMOTIVE PRODUCTS, and 1979-1986
U.S. EXPORTS TO CANADA/U.S. IMPORTS FROM CANADA
(Millions of U.S. Dollars)

	1979	1980	1981	1982	1983	1984	1985	1986
				U.S. EXPORTS 1/				
Cars	3,147	2,906	3,095	2,323	3,919	4,698	6,272	6,209
Trucks	1,654	1,044	1,122	705	905	1,574	1,882	2,032
Parts	7,344	6,478	7,701	7,823	9,105	11,924	13,100	13,083
Subtotal	12,145	10,428	11,918	10,851	13,929	18,196	21,254	21,324
Tires & Tubes	128	124	137	119	181	266	193	164
TOTAL EXPORTS 2/	12,273	10,552	12,055	10,970	14,110	18,462	21,447	21,488
				U.S. IMPORTS 3/				
Cars	3,707	3,802	4,295	5,805	7,278	10,110	11,174	11,824
Trucks	1,978	1,893	2,622	3,196	3,599	4,543	4,690	4,175
Parts	3,831	2,888	3,462	3,963	5,724	7,934	8,429	8,332
Subtotal	9,516	8,583	10,379	12,964	16,601	22,587	24,293	24,331
Tires and Tubes	199	196	239	328	340	461	434	486
TOTAL IMPORTS	9,715	8,779	10,618	13,292	16,941	23,048	24,727	24,817
NET BALANCE	2,558	1,773	1,437	(2,322)	(2,831)	(4,586)	(3,280)	(3,329)

1/ Source: Statistics Canada (Canadian import data). Parts exports (Canadian imports) have been adjusted to include tooling charges in millions of U.S. dollars as follows: 1982=$409, 1983=$464, 1984=$533, 1985=$332. Data exclude U.S.-Canadian trade in materials for use in the manufacture of automotive parts.
Canadian dollars converted to U.S. dollars at following exchange rates:
1979: = $0.85471 1981: = $0.84382 1983: = $0.80199 1985: = $0.73217
1980: = $0.83560 1982: = $0.80743 1984: = $0.77202 1986: = $0.71963

2/ Totals may not add due to rounding.

3/ Source: U.S. Department of Commerce, Bureau of the Census.

In 1986, shipments of automotive products to Canada increased by $41 million, an increase of barely 0.2 percent compared with an increase of 16.2 percent in 1985.

U.S. imports of automotive products from Canada remained relatively stable. This stability was an improvement from a 7.3 percent increase between 1984-1985.

The result was a 1.5 percent increase in our automotive trade deficit with Canada.

TABLE 13
UNITED STATES AUTOMOTIVE EXPORTS TO CANADA
CALENDAR YEARS 1984-1986
(Millions of U.S. Dollars)

	1984 2/	1985	1986
Automotive Exports: 1/			
Duty Free:			
Passenger cars	4,633.1	6,157.3	6,104.1
Trucks, buses, and chassis	1,485.5	1,784.0	1,969.3
Parts and accessories	11,378.3	12,521.1	12,552.9
Tires and tubes	4.7	5.5	23.5
Total, Duty-free	17,501.6	20,467.9	20,649.8
Dutiable:			
Passenger cars	64.8	114.4	104.6
Trucks, buses, and chassis	88.5	97.5	63.0
Parts and accessories	546.0	579.0	530.3
Tires and tubes	261.6	187.9	140.1
Total, Dutiable	960.9	978.8	838.0
Total Duty-free and Dutiable:			
Passenger cars	4,697.9	6,271.7	6,208.7
Trucks, buses, and chassis	1,574.0	1,881.5	2,032.3
Parts and accessories	11,924.3	13,100.1	13,083.2
Tires and tubes	266.3	193.4	163.6
Total, Automotive Exports	18,462.5	21,446.7	21,487.8

1/ Canadian import data converted to U.S. dollars: 1984 = $0.77202
1985 = $0.73217 1986= $0.71963 (Totals may not add due to rounding.)

2/ Data includes tooling charges of (in millions of U.S. dollars):
1984: $533, 1985: $332, 1986: $313.
Source: Statistics Canada

Assembled vehicles accounted for 38 percent of total automotive exports in 1986, the same as in 1985. Parts and accessories accounted for 61 percent of total exports. Duty-free exports to Canada were $20.6 billion and accounted for 96 percent of total exports, compared to 95.4 percent of total automotive exports in 1985. Dutiable exports increased to $838 million or 4 percent of total automotive exports to Canada.

TABLE 14
UNITED STATES AUTOMOTIVE IMPORTS FROM CANADA
CALENDAR YEARS 1984-1986
(Millions of U.S. Dollars)

	1984	1985	1986
Automotive Imports: 1/			
Duty Free:			
Passenger cars	10,087.1	11,127.3	11,774.0
Trucks, buses, and chassis	4,511.8	4,658.9	4,130.1
Parts and accessories	7,098.2	7,657.4	7,519.3
Total, Duty-free	21,697.1	23,443.6	23,423.4
Dutiable:			
Passenger cars	22.5	46.8	50.2
Trucks, buses, and chassis	30.9	30.8	44.4
Parts and accessories	836.3	771.1	812.6
Tires and tubes	460.5	433.9	486.0
Total, Dutiable	1,350.2	1,282.6	1,393.2
Total Duty-Free and Dutiable:			
Passenger cars	10,109.6	11,174.1	11,824.2
Trucks, buses, and chassis	4,542.7	4,689.7	4,174.5
Parts and accessories	7,934.5	8,428.5	8,331.9
Tires and tubes	460.5	433.9	486.0
Total, Automotive Imports	23,047.3	24,726.2	24,816.6

1/ U.S. automotive product imports from Canada duty-free under the United States-Canada Automotive Agreement.

Source: U.S. Department of Commerce, Bureau of the Census.

Assembled vehicles accounted for 64.5 percent of total automotive imports, also virtually unchanged from 64 percent in 1985 and parts accounted for 33.6 percent of imports, down from 34.1 percent in 1985. Duty-free imports of $23.4 billion accounted for 94.4 percent of total automotive imports in 1986. Dutiable imports in 1986 increased to $1.4 billion or 5.6 percent of all automotive product shipments from Canada.

The U.S. deficit in duty-free automotive products was $2.8 billion in 1986 compared to $3 billion in 1985. The deficit in dutiable products amounted to $304 million in 1985 and $555 million in 1986 (see Table 13 and 14).

Table 15.--VALUE OF CANADIAN MOTOR VEHICLES AND ORIGINAL MOTOR VEHICLE EQUIPMENT (CANADIAN ARTICLES) IMPORTED DUTY-FREE FROM CANADA INTO THE UNITED STATES UNDER THE AUTOMOTIVE PRODUCTS TRADE ACT OF 1965 (APTA), BY TSUSA NUMBER 1983-1986

(Thousands of U.S. Dollars) 1/

TSUSA Number	Commodity	1983	1984	1985	1986
692.0310	Automotive trucks, exc. truck tractors, gasoline	,313,656	3,213,541	3,037,486	2,508,983
692.0320	Automobile trucks, exc. truck tractors, diesel	406,005	428,606	531,981	504,290
692.0330	Automobile truck tractors, gasoline	984	5,774	5,700	7,971
692.0350	Automobile truck tractors exc. gasoline (diesel)	16,534	44,833	37,698	60,032
692.0720	Motor buses, gasoline	186,830	223,387	268,602	218,932
692.0740	Motor buses, exc. gasoline	82,957	83,680	68,754	72,524
692.1110	Four-wheel passenger cars, new, not over 4 cylinders	1,296,799	3,047,003	3,272,243	4,656,423
692.1115	Four-wheel passenger cars, new, not over 6 cylinders	2,457,865	2,350,889	3,786,537	2,752,920
692.1130	Four-wheel passenger cars, new, over 6 cylinders	3,486,245	4,674,408	4,054,986	4,343,895
692.1135	Four-wheel passenger cars, new, n.s.p.f	459	731	3,428	13,416
692.1140	On-the-highway, four-wheeled automobiles, used	13,974	14,108	10,104	7,303
692.1160	Vehicles which operate in whole or in part on runners or skis	17,698	33,578	31,329	32,984
692.1180	Motor vehicles, n.e.s., exc. motor-cycles	5,908	4,618	4,460	6,046

1/ F.A.S Values, 1981; Customs Value Basis, 1983 - 1986.

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
692.2170	Chassis for motor buses.....	6,884	11,940	6,268	12,33
692.2180	Chassis for automobiles trucks and truck tractors.....	511,042	389,136	579,481	626,736
692.2360	Chassis for passenger automobiles.....	16	48	20	45
692.2380	Chassis for pass. motor vehicles n.s.p.f.	505	1,017	1,055	4,224
692.3120	Auto truck tractors, gas fueled, imported without trailers.....	225	621	1,280	3,269
692.3140	Auto truck tractors, exc gas, imported without trailers.....	26,344	71,018	84,792	71,764
	Total duty-free passenger cars.....	7,255,342	10,087,139	11,127,298	11,773,957
	Total duty-free truck, bus, sp. veh.....	3,575,588	4,511,797	4,658,906	4,130,131
	Total duty-free motor vehicles.....	10,830,930	14,598,936	15,786,204	15,904,088

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
207.0100	Articles of wood, n.s.p.f.....	1	0	2	---
220.4800	Cork disks, wafers etc., exc. tapered...	34	3	0	---
355.2700	Felt, batting, wadding.....	926	1,182	2,130	1,880
357.9100	Hoses of veg. fiber.....	0	0	0	---
357.9600	Hoses for liquids or gases, manmade.....	0	0	0	---
358.0300	V-belts, textile fibers & rubber.....	165	466	1,115	1,093
361.9000	Floor coverings and underlays, textile.....	15,049	25,393	20,215	15,915
389.8000	Textile articles n.s.p.f.....	1,983	1,045	1,320	2,538
516.9800	Cut or stamped mica.....	0	0	0	---
517.8200	Brushes for elec. generators, etc.....	228	208	150	10
535.1500	Ceramic magnet & elect. wares n.e.s. Ceramic insulators.....	9	0	11	10
540.7200	Glass fiber filter, not over 25lbs. per cubic foot, n.e.s.....	13	91	55	209
544.1700	Glass, drawn or blown & over 15/32 inch in thickness.....	0	0	0	6
544.2000	Glass processed, n.e.s.....	31	250	1,479	2,999
544.3200	Toughened glass, shaped or formed.....	44,235	60,050	56,848	54,468
544.4200	Laminated glass.....	34,706	52,167	64,704	64,481
544.5200	Mirrors not over 1 square ft. reflecting area.....	641	643	1,048	2,716
544.5500	Mirror over 1 square foot reflecting are.....	14	16	2	28
545.6200	Glass lens & filters and parts.....	0	0	50	35

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
545.6400	Glass reflecting lenses, buttons n.e.s.....	1	0	5	---
547.1600	Clock glass, curved surface, n.e.s.....	0	0	---	---
610.9300	Pipe & tube fittings, n.e.s.....	910	266	959	1,106
613.1600	Pipe & tube fittings, copper.....	0	0	---	155
613.1900	Pipe & tube fittings, other.....	172	190	123	407
618.4800	Pipe, tubes, blanks, fittings of aluminum.....	20	9	53	118
620.4600	Nickel pipe & tube fittings.....	1	8	---	---
642.2100	Ropes, cables, etc. with fittings.....	6,540	5,588	3,431	4,186
642.8500	Wire cloth copper cut shape.....	0	0	0	0
642.8700	Wire cloth other than copper etc. cut to shape.....	1	1	0	0
646.7910	Bolts, if Canadian article & original motor vehicle equipment.....	12,975	18,348	20,171	21,377
646.7920	Nuts, if Canadian article & original motor vehicle equipment.....	14,034	16,071	15,919	14,238
646.7930	Screws, if Canadian article & original motor vehicle equipment.....	18,523	20,375	16,542	14,167
646.7940	Bolts, nuts, screws, etc. n.s.p.f. Canadian art, for orig. MV equipment...	4,168	6,178	6,532	6,645
646.9300	Locks and padlocks, n.e.s.....	183	740	775	290
647.0200	Hinges, fittings, mountings of iron, steel, aluminum or zinc for motor veh.	78,098	115,367	163,415	182,224
647.0600	Other hinges, fittings & mountings.....	153	212	114	115
652.1000	Flex metal hose or tubing.....	0	9	1	30
652.3900	Chains and parts of base metals.....	238	72	32	2

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
652.7600	Sign plates, name plates, numbers etc. of base metal.....	436	427	564	1,247
652.8500	Springs & leaves for motor vehicle suspension.....	92,075	124,464	121,319	123,701
652.8700	Hairsprings.....	66	19	15	49
652.8900	Other springs.....	9,787	13,807	22,172	20,306
658.1000	Metal articles n.s.p.f.....	17,758	26,603	36,528	36,731
660.4300	Piston type compression-ignition engines.	0	0	199	17
660.4900	Piston type engines ex-diesel.....	1,013,837	1,370,250	1,252,380	949,221
660.5700	Piston type engines ex-diesel, n.s.p.f..	80	5	0	9,323
660.6300	Non piston type engines.....	1	2	471	91
660.6800	Parts of piston type engines other than compression ignition engines.....	193,679	265,428	315,408	383,872
660.7200	Parts internal combustion engine n.e.s..	2,358	6,453	6,708	4,035
660.8600	Non electric engines, motors & parts n.s.p.f.....	454	654	893	1,464
660.9300	Fuel injection pumps for compression ignition engines and parts.....	6	63	274	---
660.9800	Pumps for liquids n.e.s and parts.....	37,405	47,098	44,604	40,647
661.0700	Fans, blowers and parts n.e.s.....	24,376	32,285	35,307	29,834
661.1300	Compressors and parts.....	1,161	7,261	5,752	3,361
661.1600	Air pumps, vacuum pumps and parts.....	1	58	21	5
661.2100	Air conditioning machines and parts.....	4,776	7,467	4,976	4,917
661.3600	Refrig. and refrig. equipment.....	782	761	159	1,596
661.9300	Other cast iron parts.....	21	14	0	35
661.9600	Other parts for filtering machines n.e.s.	213	306	273	1,757

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
662.3600	Piston pump sprays and parts.....	17	335	63	156
662.5100	Other mechanical appliances n.e.s. for dispersing liquids.....	585	746	363	315
664.1100	Material handling equipment n.e.s.....	19,234	23,172	28,524	26,436
678.5100	Tape playing machines n.s.p.f. & parts..	48,996	80,476	81,287	78,665
680.1600	Taps, cocks, valves and parts, copper...	2	46	9	202
680.1800	Valves hand operated iron or steel.....	7,046	2,441	3,600	3,072
680.2400	Valves hand operated metal.....	2,700	10,502	9,506	8,546
680.2800	Taps, cocks, valves and parts, other....	41,858	67,269	66,956	54,608
680.3100	Anti friction balls and rollers.....	385	812	1,953	1,653
680.3400	Ball bearings with integral shafts.....	3,255	2,908	5,369	6,855
680.3820	Ball bearings.....	10,553	11,128	10,010	9,040
680.3830	Parts of ball bearings.....	53	4	42	409
680.4140	Tapered roller bearings cup and cones, assemblies in sets.....	40	25	91	378
680.4144	Tapered roller bearings cup assemblies..	5,185	6,752	5,921	5,786
680.4148	Tapered roller bearings cone assemblies.	11,103	11,988	9,856	10,414
680.4152	Parts n.s.p.f. of tapered roller bearings	99	209	241	653
680.4170	Roller bearings, n.s.p.f. including combination roller and ball bearings and parts.....	4,364	4,259	3,309	1,673
681.3000	Lubrication fittings.....	9	0	84	16
681.4200	Machinery parts not containing electrical features n.s.p.f.....	563	0	3,586	4,066
682.6500	Generators, motors, and parts under 220 h.p.....	4,399	6,658	8,919	15,108

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
682.7100	Permanent magnets.....	0	350	0	4
682.9100	Electro-magnetic couplings, etc.....	1	63	69	10
683.0200	12 volt lead-acid type storage batteries..	12,472	10,914	8,785	8,639
683.1300	Lead-acid type storage batteries, n.s.p.f.	796	506	1,012	834
683.1100	Lead-acid type storage batteries and parts.....	0	0	0	0
683.1600	Other storage batteries and parts.....	997	403	487	350
683.6100	Electrical starting and ignition equip. for internal combustion engines.....	9,064	8,004	6,048	10,064
683.6600	Electrical lightning equip designed for motor vehicles and parts.....	22,076	25,940	37,918	48,797
684.4100	Electric heaters and parts.....	2,594	2,606	1,820	1,268
684.6300	Telephonic apparatus instruments & parts.	0	58	1	5
684.7100	Microphones, loudspeakers etc.....	77	49	23	12
685.5520	Radio receivers.....	12,007	10,874	3,639	2,614
685.5540	Other radio receiving equipment.....	3,643	5,159	4,408	3,244
685.7100	Electric sound and visual signaling apparatus.....	4,496	8,065	5,970	5,017
685.8100	Electrical capacitors fixed or variable.	8,737	8,720	9,265	9,888
685.9100	Electrical switches, relays, etc. & parts	25,200	38,770	45,874	64,521
686.1100	Resistors fixed or variable.....	1,093	441	24	6
686.1900	Automatic voltage regulators for 6, 12, and 24 volt systems.....	26	146	74	577
686.6100	Sealed beam lamps.....	841	656	90	49
686.8100	Electric filament lamps under 100 volts n.e.s.....	1,724	1,458	2,465	2,126
687.3600	Color television picture tubes.....	0	24	0	0

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
687.4400	Electronic tubes excluding color television picture tubes.....	0	0	2	0
687.5600	Cathode ray tubes and parts.....	0	0	0	0
687.8900	Electronic tubes, exc. cathode ray tubes, transistors and other related electronic crystal components.....	61	35	4	35
688.0500	Insulated electrical conductors without fittings.....	7	12	0	0
688.0700	Electric conductor n.e.s. no fittings...	8	3	5	19
688.1300	Ignition wiring sets.....	29,146	53,095	69,656	91,959
688.1900	Insulated electrical conductors with fitting, other.....	6,674	8,984	6,064	5,527
688.3700	Solid state elec. clocks & clock modules.	0	1	0	0
688.4600	Electrical articles & parts n.s.p.f.....	3,820	2,311	2,361	4,612
692.2110	Bodies (incl. cabs) for auto trucks.....	22,380	29,955	9,823	10,946
692.2120	Bodies (incl. cabs) for truck tractors..	1,690	1,282	3,780	5,226
692.2130	Bodies for motorbuses.....	47,847	110,708	89,563	32,250
692.2320	Bodies for passenger automobiles.....	26	13	2	38
692.2340	Bodies for motor vehicles n.s.p.f.....	253	392	1,391	482
692.3310	Body stampings.....	3,560	8,723	27,438	25,648
692.3320	Bumpers.....	82,684	127,076	158,514	175,498
692.3330	Wheels designed to be mounted with pneumatic tires.....	128,184	184,564	187,502	167,020
692.3340	Hubcaps and wheelcovers.....	3,383	5,084	4,661	773
692.3350	Radiators.....	60,323	66,434	81,109	62,100
692.3360	Mufflers & tailpipes.....	45,043	61,659	53,739	54,859

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
692.3372	Brakes and parts.....	130,994	180,993	203,697	218,466
692.3374	Transmissions for trucks and buses.....	39	12	318	24
692.3376	Transmissions for passenger auto.....	483,057	684,490	683,773	592,538
692.3378	Transmissions for motor vehicles n.s.p.f.	63	24	136	13
692.3380	Shock absorbers for motor vehicles.....	10,853	12,166	12,981	11,694
692.3390	Parts n.s.p.f. of motor vehicles.....	1,842,862	2,449,742	2,824,002	2,925,451
711.7900	Pressure gauges, thermostats, etc.....	7,236	16,363	16,435	16,802
711.9100	Taximeters and parts.....	0	16	11	15
711.9900	Speedometers and parts.....	285	6,126	17,039	12,788
712.5100	Test record measuring instruments.....	43,533	49,090	56,731	87,569
721.2000	Clocks, clock movements and parts.....	49	151	4	4
727.0700	Furniture for motor vehicles.....	268,951	379,537	449,417	485,867

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1983	1984	1985	1986
728.3000	Non textile floor coverings.....	2	3	0	6
745.8000	Buckles, buckle slides, fasteners & parts	3,436	2,896	3,946	1,854
772.6600	Hose, pipe, and tubing n.s.p.f. of rubber or plastic.....	9,548	9,091	9,181	6,131
772.8100	Handles and knobs of rubber or plastic..	3,299	3,509	2,902	4,516
772.8600	Closures, including caps, lids, etc. of rubber or plastic.....	243	441	318	107
773.2600	Gaskets of rubber or plastic.....	23,169	31,451	50,082	56,276
773.3100	Electrical insulators of rubber or plastic	476	1,450	1,004	897
774.7000	Articles n.s.p.f. of rubber or plastic	22,605	29,442	36,801	71,546
791.8100	Articles of reptile leather.....	0	0	0	0
791.9100	Other leather articles n.s.p.f.....	7	16	138	39
	Total duty-free parts.....	5,182,155	7,095,741	7,652,046	7,512,472
	Grand total of all duty-free motor vehicles and parts..	16,013,085	21,694,677	23,438,250	23,416,560

Source: U.S. Department of Commerce, Bureau of the Census

Note: The totals in this table may not exactly match the duty-free totals in Table 14 due to rounding.

All duty-free imports from Canada are listed in Table 15 by tariff number.

TABLE 16.--U.S. AUTOMOTIVE TRADE
TOTAL WITH ALL COUNTRIES, WITH CANADA, AND WITH ALL COUNTRIES EXCEPT CANADA
1984-1986
(Millions of U.S. Dollars)

	TRADE WITH ALL COUNTRIES			TRADE WITH CANADA 2/			TRADE WITH ALL COUNTRIES EXCEPT CANADA		
	1984	1985	1986	1984	1985	1986	1984	1985	1986
U.S. Exports: 1/									
Passenger Cars	5,005	6,568	6,636	4,698	6,272	6,209	307	296	427
Trucks, buses and chassis	1,901	2,134	2,271	1,574	1,882	2,032	327	252	239
Parts and accessories	15,878	17,459	17,453	11,924	13,100	13,083	3,954	4,359	4,370
TOTAL Exports	22,784	26,161	26,360	18,196	21,254	21,324	4,588	4,907	5,036
U.S. Imports:									
Passenger cars	30,749	38,550	49,112	10,110	11,174	11,824	20,639	27,376	37,288
Trucks, buses and chassis	7,832	9,518	10,246	4,543	4,690	4,175	3,289	4,828	6,071
Parts and accessories R/	15,100	17,197	19,078	7,934	8,429	8,332	7,166	8,768	10,746
TOTAL Imports	53,681	65,265	78,436	22,587	24,293	24,331	31,094	40,972	54,105
U.S. NET EXPORTS (-)	(30,897)	(39,104)	(52,076)	(4,391)	(3,039)	(3,007)	(26,506)	(36,065)	(49,069)

1/ Some automotive products as well as other items destined for automotive use are not separately delineated in U.S. trade classification systems and, therefore, are not separately available. Thus, these figures are not all inclusive. In addition, exports and imports of tires and tubes are not included. (figures may not add to totals due to rounding.)
2/ The purpose of this table is to compare the U.S. automotive trade balance with Canada and with the rest of the world. U.S. exports to Canada are based on Canadian import data.
R/ Parts and accessories imports were revised to include all parts imports from Canada. In the past, just those parts which were identifiable as automotive parts from all countries were included.
Source: U.S. Department of Commerce, Bureau of the Census and Statistics Canada.

Exports of U.S. automotive products to countries other than Canada rose to $5 billion in 1986, an increase of 2.6 percent from 1985. Car exports increased by 44.3 percent from the 1985 level reflecting an increased interest in new U.S. models. Increased import penetration in the truck sector contributed to a drop in truck exports of 5.2 percent. Parts exports remained stable in 1986, rising to $4.4 billion, a 0.3 percent increase over 1985.

The value of U.S. automotive imports (excluding Canada) reached $54 billion, a 32.1 percent increase over 1985. These imports comprised 69 percent of all automotive product imports, an increase of 6 percentage points (10 percent) since 1985.

Car imports (excluding Canada) rose 36.2 percent from 1985 to 1986 compared to a 32.6 percent increase from 1984 to 1985. Truck, bus and chassis imports increased 25.7 percent, down from a 46.8 percent increase from 1984-1985. Imports of parts and accessories rose 22.6 percent, only 0.2 percentage points higher than during the 1984-1985 period.

TABLE 17.--U.S. AUTOMOTIVE EXPORTS, CALENDAR YEARS 1984-1986
(Millions of U.S. Dollars) 1/

Country of Destination	Passenger Cars			Trucks, Buses & Chassis			Parts and Accessories			Total Exports		
	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986
Canada[R]	4,698	6,272	6,209	1,574	1,882	2,032	11,924	13,100	13,083	18,196	21,254	21,324
Belgium and Luxembourg	4	1	7	---	---	1	92	94	104	96	95	112
Brazil	---	---	---	---	---	---	59	93	97	59	93	97
West Germany	40	26	53	4	5	12	235	274	253	279	305	318
United Kingdom	2	3	4	3	2	3	215	209	222	220	214	229
Japan	29	19	42	1	1	1	167	191	203	197	211	246
Mexico	4	5	6	7	8	6	1,397	1,912	1,803	1,408	1,925	1,815
Kuwait	28	37	47	24	15	13	40	31	31	92	83	91
Saudi Arabia	110	103	88	116	66	58	183	143	113	409	312	259
Colombia	3	1	3	5	4	4	70	63	74	78	68	81
Venezuela	1	---	2	6	4	---	381	321	350	388	325	352
Australia	1	1	---	29	25	16	188	197	150	218	223	166
Other Countries	85	100	175	131	122	125	927	832	970	1,143	1,054	1,270
TOTAL[R]	5,005	6,568	6,636	1,900	2,134	2,271	15,878	17,460	17,453	22,783	26,162	26,360

1/ Some automotive products as well as other items destined for automotive use are not separately delineated in U.S. trade classification systems and, therefore, are not separately available. These figures are therefore not all inclusive. In addition, exports of tires and tubes are not included. (Figures may not add to totals due to rounding).

R Revised 1986. Data for U.S. exports to Canada is based on Canadian import data. All other data in this table is based on official U.S. export data except the Total column. This is based on official U.S. export data as well as Canadian import data

Source: U.S. Department of Commerce, Bureau of the Census and Statistics Canada.

Mexico remained the second largest market for U.S. exports of automotive goods, although exports to Mexico dropped 5.7 percent from $1.9 billion in 1985 to $1.8 billion in 1986. Venezuela continued as the third largest export market in 1986, receiving shipments of $352 million. West Germany surpassed Saudi Arabia as the fourth largest export market with increases in U.S. exports of cars and trucks but a decline of 7.7 percent in U.S. parts exports.

TABLE 18.--U.S. AUTOMOTIVE IMPORTS, CALENDAR YEARS 1984-1986
(Millions of U.S. Dollars) 1/

Country of Origin	Passenger Cars			Trucks, Buses & Chassis			Parts and Accessories			Total Imports		
	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986
CANADA:												
Traditional 2/	10,110	11,174	11,824	4,543	4,690	4,175	7,376	7,821	7,674	22,029	23,685	23,673
APTA 3/	---	---	---	---	---	---	559	607	658	559	607	658
TOTAL	10,110	11,174	11,824	4,543	4,690	4,175	7,935	8,428	8,332	22,588	24,292	24,331
Brazil	15	39	217	45	53	38	518	556	578	578	648	833
France	561	445	277	133	140	121	221	278	432	915	863	830
Italy	137	138	185	17	39	27	125	127	197	279	304	409
Japan	13,138	17,109	23,613	2,896	4,198	5,600	2,415	3,005	3,920	18,449	24,312	33,133
Mexico	52	283	769	66	245	155	1,866	2,330	2,558	1,984	2,858	3,482
Sweden	1,235	1,654	1,831	6	28	19	64	63	80	1,305	1,745	1,930
United Kingdom	482	624	735	38	39	27	310	335	436	830	998	1,198
West Germany	4,914	6,933	8,633	22	35	22	784	981	1,376	5,720	7,949	10,031
Other Countries	105	151	1,028	66	51	62	863	1,094	1,169	1,034	1,296	2,259
TOTAL	30,749	38,550	49,112	7,832	9,518	10,246	15,101	17,197	19,078	53,682	65,265	78,436

1/ F.A.S. values, 1981; Customs Value Basis, 1984-1986. Note: Figures may not add to total because of rounding.

2/ Traditional automotive imports from Canada include those imports identifiable as automotive products in import figures from all countries.

3/ APTA imports include those imports from Canada which were newly identified by the APTA Of 1965 as automotive products. These items cannot be identified as automotive in the import data for any other country or in the U.S. export data.

Source: U.S. Department of Commerce, Bureau of the Census

In 1986, Japan continued as the largest supplier of automotive goods to the United States, displacing Canada for the second year in a row. Japan accounted for 42.2 percent of total 1986 imports, up from 37.3 percent in 1985 (including Canada) and 61.2 percent of 1986 imports when Canada is excluded, up from 59.3 percent in 1985. West Germany, our third largest supplier, accounted for 12.8 percent of total 1986 imports and 18.5 percent of imports from countries other than Canada.

TABLE 19.--TOTAL U.S. TRADE (ALL COMMODITIES)
WITH THE WORLD AND WITH CANADA
CALENDAR YEARS 1965 AND 1983-1986
(Millions of U.S. Dollars)

	1965	1983	1984	1985	1986
Exports, including reexports:					
To all countries, total	27,630	200,538	217,888	213,146	217,304
To Canada	5,658	38,244	46,524	47,251	45,333
Canada's percent of total	20.5	19.1	21.4	22.2	20.9
Imports, general: 1/					
From all countries, total	21,429	258,048	325,726	345,276	387,081
From Canada, total	4,858	52,130	66,478	69,006	68,662
Canada's percent of total	22.7	20.2	20.4	20.0	17.7

1/ Beginning in 1982, import values are only recorded as "Custom Import Values," the value of imports as appraised by the U.S. Customs Service. "Free Alongside Ship" values (F.A.S.) were last reported in 1981 for imports.

Source: U.S. Department of Commerce, Bureau of the Census

Automotive products accounted for 12.1 percent of total exports of all commodities in 1986, a decrease from the 12.3 share in 1985. Imports of automotive products in 1986 were 20.3 percent of total commodity imports, up from 18.9 percent in 1985 (see Tables 17, 18 and 19).

Canada's share of total U.S. imports fell from 20.0 percent in 1985 to 17.7 in 1986. Its share of total U.S. exports fell by 1.3 percentage points.

TABLE 20.--CANADIAN AUTOMOTIVE EXPORTS, CALENDAR YEARS 1984-1986 1/
(Millions of U.S. Dollars) 2/

Country of Destination	Passenger cars			Trucks and Buses			Parts and Accessories			Total Exports		
	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986
United States	10,462	11,601	12,629	4,314	4,388	3,803	7,323	7,778	7,681	22,099	23,767	24,113
West Germany	2	---	1	---	---	1	12	13	24	14	13	26
United Kingdom	---	---	---	1	1	1	6	5	6	7	6	7
Sweden	---	---	1	2	3	8	9	9	10	11	12	19
South Africa	---	---	---	2	1	2	3	2	2	5	3	4
West Indies	25	28	21	5	15	4	3	2	2	33	45	27
Australia	---	---	---	5	22	14	26	29	25	31	51	39
All Other Countries	143	27	25	112	109	114	153	157	229	408	293	368
TOTAL 3/	10,632	11,656	12,677	4,441	4,539	3,947	7,535	7,995	7,979	22,608	24,190	24,603

1/ Revised 1985.

2/ Canadian dollars converted to U.S. dollars at the following exchange rates: $1 Canadian = $0.77202 U.S., 1984; $0.73217 U.S., 1985; $0.71963 U.S., 1986

3/ Totals may not add due to rounding.

Source: Statistics Canada

In 1986, Australia remained Canada's largest overseas market (excluding the United States) although Australian purchases of Canadian automotive products fell by 23.5 percent. Australia accounts for 8 percent of Canada's total automotive product exports (excluding the United States), followed closely by the West Indies at 5.5 percent and West Germany with 5.3 percent.

TABLE 21.--CANADIAN AUTOMOTIVE IMPORTS, CALENDAR YEARS 1984-1986 1/
(Millions of U.S. Dollars) 2/

Country of Origin	Passenger cars			Trucks and Buses			Parts and Accessories			Total Imports		
	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986
United States	4,698	5,892	6,209	1,618	1,867	2,053	11,102	11,951	11,777	17,419	19,710	20,038
West Germany	260	354	520	4	3	5	47	62	80	310	420	605
France	61	35	12	---	1	---	30	33	39	91	69	51
Italy	8	5	5	---	1	---	12	14	14	20	19	19
United Kingdom	23	30	48	3	2	2	25	30	32	51	63	82
Sweden	26	53	71	3	13	3	78	73	84	107	139	158
Japan	899	1,086	1,474	384	340	423	233	263	357	1,516	1,690	2,254
All other countries	116	434	342	7	6	16	501	472	536	624	913	895
Total 3/	6,091	7,889	8,681	2,019	2,233	2,502	12,028	12,898	12,919	20,138	23,023	24,102

1/ Revised 1985.

2/ Converted to U.S. dollars at the following exchanges rates:$1.00 Canadian = $0.77202 U.S., 1984
$0.73217 U.S., 1985
$0.71963 U.S., 1986

3/ Totals may not add due to rounding.

Source: Statistics Canada

The United States accounted for 83 percent of Canadian automotive imports in 1986. Japan, the only other significant supplier, accounted for 9.4 percent of total imports of automotive products to Canada. In 1986, the Japanese supplied 55.5 percent of Canada's automotive imports excluding the United States. Total Canadian automotive imports from Japan increased 33.4 percent in 1986. Cars and parts imported from Japan to Canada increased 35.7 percent in 1986.

TABLE 22.--CANADIAN AUTOMOTIVE TRADE, TOTAL WITH ALL COUNTRIES, WITH UNITED STATES, AND WITH ALL OTHER COUNTRIES EXCEPT THE UNITED STATES 1984-1986 1/
(Millions of U.S. Dollars) 2/

	Trade with All Countries			Trade with United States			Trade with All Countries except the United States		
	1984	1985	1986	1984	1985	1986	1984	1985	1986
Canadian Exports:									
Passenger Cars	10,632	11,657	12,677	10,462	11,601	12,629	170	56	48
Truck & Buses	4,441	4,539	3,947	4,314	4,388	3,803	127	151	144
Parts and Accessories	7,532	7,995	7,979	7,323	7,778	7,681	209	217	298
TOTAL 3/	22,605	24,191	24,603	22,099	23,767	24,113	506	424	490
Canadian Imports:									
Passenger Cars	6,091	7,889	8,681	4,698	5,892	6,209	1,393	1,997	2,472
Trucks & Buses	2,019	2,233	2,502	1,619	1,867	2,053	400	366	449
Parts and Accessories	12,028	12,898	12,919	11,102	11,951	11,777	926	947	1,142
TOTAL	20,138	23,020	24,102	17,419	19,710	20,039	2,719	3,310	4,063
Canadian Net Exports (-)	2,467	1,171	501	4,680	4,057	4,074	(2,213)	(2,886)	(3,573)

1/ Revised 1985

2/ Converted to U.S. dollars at the following exchanges rates: $1.00 Canadian = $0.77202 U.S., 1984 = $0.73217 U.S., 1985 = $0.71963 U.S., 1986

3/ Figures may not add to totals due to rounding.

SOURCE: Statistics Canada

Canada's exports of automotive products to countries other than the United States had a value of $490 million in 1986, a 15.6 percent increase from 1985. Excluding the United States, exports of vehicles in 1986 declined 7.3 percent from the previous year to $192 million. Exports of parts and accessories to countries other than the United States increased 37.3 percent although parts exports to the United States declined by 1.2 percent.

Canadian imports from countries other than the United States were $4.1 billion, a 22.8 percent increase from 1985. (Imports from the United States accounted for 83.1 percent of total Canadian automotive imports). Imports of parts and accessories from non-U.S. sources reached $1.1 billion, a 20.6 percent increase over 1985. Imports of motor vehicles increased 23.6 percent to $2.9 billion, with imports of passenger cars rising by 23.8 percent and bus and truck imports rising by 22.7 percent.

ANNEX A

AUTO PACT IMPLEMENTATION

I. Background

Before 1965, the Canadian automotive industry was designed to serve a relatively small domestic market. Tariff, economic and political measures taken by the Canadian Government to improve production and increase exports, however, irritated economic relationships with the United States. U.S. auto producers were encouraged to produce their vehicles in Canada to avoid the high tariffs protecting the Canadian industry, and to benefit from an import duty-remission program for Canadian manufacturers. As a result, the United States and Canada signed the Automotive Products Trade Agreement (Auto Pact) which allowed both countries to develop a more efficient automotive industry without harming the Canadian automotive industry.

The Agreement, signed on January 16, 1965, created the basis for an integrated automotive products market by removing duties on qualified trade of specified motor vehicles and original equipment automotive parts between the two countries (see Appendix A). The specified automotive products include:

(1) motor vehicles with the exception of certain "special purpose" vehicles, such as electric trolley buses, three-wheeled vehicles and trailers accompanying truck tractors; and

(2) parts (fabricated components) for use as original equipment in the manufacture of the specified motor vehicles but not replacement or aftermarket parts.

Certain automotive products -- trailers, tires and tubes -- are specifically excluded. In addition, in order to qualify for duty-free treatment under the Agreement, products must contain at least 50 percent U.S. or Canadian content.

In recognition of the need for a transition period for the smaller, higher-cost Canadian industry to adjust to the competitive pressures, several restrictive measures were set forth in Annex A to the Agreement: (1) only certain (officially approved) Canadian vehicle manufacturers could import automotive products duty-free, and (2) these manufacturers had to meet specified minimum Canadian value-added and Canadian production-to-sales ratio requirements to qualify for the duty-free importation privilege.

Article I of the Agreement sets forth three objectives:

a. the creation of a broader market for automotive products within which the full benefits of specialization and large-scale production can be achieved;

b. the liberalization of U.S. and Canadian automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industry of both countries to participate on a fair and equitable basis in the expanding total market of the two countries; and

c. the development of conditions in which market forces may operate effectively to attain the most economic pattern of investment, production and trade (Appendix B).

The United States and Canada further agreed to avoid actions which would frustrate the achievement of the Agreement's objectives. The Agreement is of unlimited duration though each Government has the right to terminate on twelve-months' notice.

II. U.S. Implementation

A. Coverage and GATT Treatment

The Agreement, as implemented in the United States by the Automotive Products Trade Act of 1965 (APTA) (see Appendix C), resulted in the removal of U.S. duties on specified new and used Canadian motor vehicles and original equipment automotive parts from Canada. In the United States, duty-free status is provided for imports of vehicles by manufacturers, as well as individuals. Original equipment automotive parts can be imported only by designated motor vehicle manufacturers. Both the Agreement and the APTA limit duty-free treatment by the United States exclusively to articles from Canada, a violation of the unconditional "most-favored-nation" (MFN) obligations of the United States under Article I of the General Agreement on Tariffs and Trade. As a result, it was necessary for the United States to obtain a waiver from the GATT before it could implement the Agreement.

This waiver, approved on December 20, 1965, provided for an annual report, a review by the GATT contracting parties after two years, a biennial review thereafter if necessary, and consultations with any GATT Contracting Party whose trade was adversely affected by the Agreement. To date, the United States has received no requests for such consultations. Once the waiver was approved, the United States was able to implement the Agreement with the signing of the Automotive Products Trade Act of 1965 (APTA) on October 21, 1965. President Johnson proclaimed the tariff modifications effective retroactive to January 18, 1965 (See Appendix D).

B. "Bona Fide" Motor Vehicle Manufacturers

Under the Automotive Products Trade Act of 1965, original motor vehicle equipment imported from Canada is duty-free when made pursuant to an order, contract, or letter of intent from a "bona fide motor vehicle manufacturer" in the United States. The Act defines a bona fide manufacturer as a person who, upon application to the Secretary of Commerce, is determined by the Secretary to have (a) produced no

fewer than 15 complete motor vehicles in the United States during the previous 12 months; and (b) installed facilities in the United States with the capacity to produce 10 or more complete motor vehicles per 40-hour week. The Secretary of Commerce has delegated the responsibility for certification to the Director of the Office of Automotive Industry Affairs within the International Trade Administration.

A firm is regarded as having the capacity to produce a complete motor vehicle only if its operations include the assembly of two or more major components (e.g., the attachment of a body to a chassis) to create a new motor vehicle ready for use. Certified manufacturers must be engaged in one or more of the following types of business: (a) the manufacturing of motor vehicles, including motor vehicle chassis; (b) the manufacturing and installation of motor vehicle bodies and other motor vehicle equipment on new chassis; and (c) the installation of motor vehicle bodies, trailer hitches known as fifth wheels, and other motor vehicle equipment on new chassis.

The Rules and Regulations published in Part 615, Chapter VI, Title 15 of the Code of Federal Regulations outline procedures for filing by motor vehicle manufacturers. They also provide for preparation, maintenance, and publication in the Federal Register of a list of these manufacturers. Certification of a manufacturer is valid for a twelve-month period from the date the Secretary determines the manufacturer is qualified. Certification is renewable.

Certified manufacturers in the United States are located in 40 states, with Michigan, Indiana, Ohio, New York, Texas, Pennsylvania, Wisconsin, Illinois, and California leading the list in number of establishments. As of August 15, 1988, a total of 179 U.S. motor vehicle manufacturers were certified as "bona fide" (see Appendix E). The Government of Canada lists 135 Canadian firms that, as of January 1, 1988, are considered motor vehicle manufacturers (see Appendix F).

III. Canadian Implementation

A. Orders-in-Council

Canada implemented its part of the Agreement somewhat differently. Two "Orders in Council" simultaneously established duty-free treatment, as of January 18, 1965, for imports of specified motor vehicles and original equipment parts from the United States and terminated the duty-remission program. Canada extended duty-free treatment to specified new motor vehicles and original equipment parts on an MFN basis to all automotive manufacturers who had production facilities in Canada at the time of negotiation for the Agreement. As a result, Canada was not required to obtain a GATT waiver for its Order-in-Council.

B. Safeguards

The Canadian Government also required motor vehicle manufacturers to furnish Letters of Undertaking to increase Canadian value-added. These letters committed the companies to: (a) specific increases in Canadian value-added to be accomplished by July 31, 1968; and (b) additional increases in the Canadian value-added, annually, by a proportion of any growth in sales in the Canadian market. Although the letters were exchanged between the companies and the Canadian Government, they were signed with the tacit approval of the United States Government. The U.S. Government did not expect these "value-added" safeguards to remain in effect beyond the transitional period and withdrew its tacit approval of the Letters of Undertaking in 1970, well after the passing of the July 31, 1968, deadline. The safeguards were still in effect at the end of 1986.

C. Non-APTA Imports

With the duty-free import privilege in Canada limited to vehicle manufacturers, non-Auto Pact motor vehicles imports from the United States still were assessed a Canadian duty of 9.9 percent ad valorem in 1986. (This duty decreased to 9.2 percent in 1987.) Still, in both countries, only eligible vehicle manufacturers may import original equipment parts and accessories free of duty.

APPENDIX B

AGREEMENT CONCERNING AUTOMOTIVE PRODUCTS BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF CANADA

The Government of the United States of America and the Government of Canada,

Determined to strengthen the economic relations between their two countries;

Recognizing that this can best be achieved through the stimulation of economic growth and through the expansion of markets available to producers in both countries within the framework of the established policy of both countries of promoting multilateral trade;

Recognizing that an expansion of trade can best be achieved through the reduction or elimination of tariff and all other barriers to trade operating to impede or distort the full and efficient development of each country's trade and industrial potential;

Recognizing the important place that the automotive industry occupies in the industrial economy of the two countries and the interests of industry, labor and consumers in sustaining high levels of efficient production and continued growth in the automotive industry;

Agreed as follows:

ARTICLE I

The Governments of the United States and Canada, pursuant to the above principles, shall seek the early achievement of the following objectives:

(a) The creation of a broader market for automotive products within which the full benefits of specialization and large-scale production can be achieved;

(b) The liberalization of United states and Canadian automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries;

(c) The development of conditions in which market forces may operate effectively to attain the most economic pattern of investment, production and trade.

It shall be the policy of each Government to avoid actions which would frustrate the achievement of these objectives.

ARTICLE II

(a) The Government of Canada, not later than the entry into force of the legislation condition collated in paragraph (b) of this Article, shall accord duty-free treatment to imports of the products of the United states described in Annex A.
(b) The Government of the United States, during the session of the United States Congress commencing on January 4, 1965, shall seek enactment of legislation authorizing duty-free treatment of imports of the products of Canada described in Annex D. In seeking such legislation, the Government of the United States shall also seek authority permitting the implementation of such duty-free treatment retroactively to the earliest date administratively possible following the date upon which the Government of Canada has accorded duty-free treatment. Promptly after the entry into force of such legislation, the Government of the United States shall accord duty-free treatment to the products of Canada described in Annex B.

ARTICLE III

The commitments made by the two Governments in this Agreement shall not preclude action by either Government consistent with obligations under Part II of the General Agreement on Tariffs and Trade.

ARTICLE IV

(a) At any time, at the request of either Government, the two Governments shall consult with respect to any matter relating to this Agreement.
(b) Without limiting the foregoing, the two Governments shall, at the request of either Government, consult with respect to any problems which may arise concerning automotive producers in the United States which do not at present have facilities in Canada for the manufacture of motor vehicles, and with respect to the implications for the operation of this Agreement of new automotive producers becoming established in Canada.
(c) No later than January 1, 1968, the two Governments shall jointly undertake a comprehensive review of the progress made towards achieving the objectives set forth in Article I. During this review the Governments shall consider such further steps as

may be necessary or desirable for the full achievement of these objectives.

ARTICLE V

Access to the United States and Canadian markets provided for under this Agreement may by agreement be accorded on similar terms to other countries.

ARTICLE VI

This Agreement shall enter into force provisionally on the date of signature and definitively on the date upon which notes are exchanged between the two Governments giving notice that appropriate action in their respective legislatures has been completed.

ARTICLE VII

This Agreement shall be of unlimited duration. Each Government shall however have the right to terminate this Agreement twelve months from the date on which that Government gives written notice to the other Government of its intention to terminate the Agreement.

IN WITNESS WHEREOF the representatives of the two Governments have signed this Agreement.

DONE in duplicate at Johnson City, Texas, this 16th day of January 1965, in English and French, the two texts being equally authentic.

For the Government of the United States of America:

For the Government of Canada:

ANNEX A

1. (1) Automobiles; when imparted by a manufacturer of automobiles.
   (2) All parts, and accessories and parts thereof, except tires and tubes, when imported for use as original equipment in automobiles to be produced in Canada by a manufacturer of automobiles.
   (3) Buses, when imported by a manufacturer of buses.
   (4) All parts, and accessories and parts thereof, except tires and tubes, when imported for use as original

equipment in buses to be produced in Canada by a manufacturer of buses.

(5) Specified commercial vehicles, when imported by a manufacturer of specified commercial vehicles.

(6) All parts, and accessories and part thereof, except tires, tubes and any machines or other articles required under Canadian tariff criteria 438a to be valued separately under the tariff items regularly applicable whereto, when imported for use as original equipment in specified commercial vehicles to be produced in Canada by a manufacturer of specified commercial vehicles.

2. (1) "Automobile" means a four-wheeled passenger automobile having a seating capacity for not more than ten persons;

(2) "Base year" means the period of twelve months commencing on the 1st day of August, 1963 and ending on the 31st day of July, 1964;

(3) "Bus" means a passenger motor vehicle having a seating capacity for more than 10 persons, or a chassis therefor, but does not exclude any following vehicle or chassis therefor, specifically an electric trackless trolley bus, amphibious vehicle, tracked or half-tracked vehicle or motor vehicle designed primarily for off-highway use;

(4) "Canadian value added" has the meaning assigned by regulations made under section 273 of the Canadian Customs Act;

(5) "Manufacturer" of vehicles of any following class, namely automobiles, buses or specified commercial vehicles, means, in relation to any importation of goods in respect of which the description is relevant, a manufacturer that

(i) produced vehicles of that class in Canada in each of the four consecutive three months' periods in the base year, and

(ii) produced vehicles of that class in Canada in the period of twelve months ending on the 31st day of July in which the importation is made,

(A) the ratio of the net sales value of which to the net sales value of all vehicles of that class sold for consumption in Canada by the manufacturer in that period is equal to or higher than the ratio of the net sales value of all vehicles of that class produced in Canada by the manufacturer in the base year to the net sales value of all vehicles of that class sold for consumption in Canada by the manufacturer in the base year, and is not in any case lower than seventy-five to one hundred; and

(B) the Canadian value added of which is equal to or greater than the Canadian value added of all vehicles of that class produced in Canada by the manufacturer in the base year;

(6) "Net sales value" has the meaning assigned by regulations made under section 273 of the Canadian Customs Act; and

(7) "Specified commercial vehicle" means a motor truck, motor truck chassis, ambulance or chassis therefor, or hearse or chassis therefor, but does not include:

(a) any following vehicle or a chassis designed primarily therefor, namely a bus, electric trackless trolley bus, amphibious vehicle, tracked or half-tracked vehicle, golf or invalid cart, straddle carrier, motor vehicle designed primarily for off-highway use, or motor vehicle specially constructed and equipped to perform special services or functions, such as, but not limited to, a fire-engine, mobile crane, wrecker, concrete mixer or mobile clinic, or

(b) any machine or other article required under Canadian tariff item 438a to be valued separately under the tariff item regularly applicable thereto.

3. The Government of Canada may designate a manufacturer not falling withinthe categories set out above as being entitled to the benefit of duty-free treatment in respect of the terms described in this annex.

ANNEX B

(1) Motor vehicles for the transport of persons or articles' as provided for in items 692.05 and 692.10 of the Tariff Schedules of the United States and chassis therefor, but not including electric trolley buses, three-wheeled vehicles, or trailers accompanying truck tractors, or chassis therefor.

(2) Fabricated components, not including trailers, tires, or tubes for tires, for use as original equipment in the manufacture of motor vehicles of the kinds described in paragraph (1) above.

(3) Articles of the kinds described in paragraphs (1) and (2) above include such articles whether finished or unfinished but do not include any article produced with the use of materials imported into Canada which are products of any foreign country (except materials produced within the customs territory of the United States), if the aggregate value of such imported materials when landed at the Canadian port of entry, exclusive of any landing cost and Canadian duty, was -

(a) with regard to articles of the kinds described in paragraph (1), not including chassis, more than 60 percent until January 1, 1968, and thereafter more than 50 percent

of the appraised customs value of the article imported into the customs territory of the United States; and
(b) with regard to chassis of the kinds described in paragraph (1), and articles of the kinds described in paragraph (2), more than 50 percent of the appraised customs value of the article imported into the customs territory of the United States.

APPENDIX C

Public Law 89-283
89th Congress, H.R. 9042
October 21, 1965

AN ACT To provide for the Implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I-SHORT TITLE AND PURPOSES

SHORT TITLE

SECTION 101. This Act may be cited as the "Automotive Products Trade Act of 1965."

PURPOSES

Sec. 102. The purposes of this Act are--

(1) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada signed on January 16, 1965 (herein-after referred to as the "Agreement"), in order to strengthen the economic relations and expand trade in automotive products between the United States and Canada; and

(2) to authorize the implementation of such other international agreements providing for the mutual reduction or elimination of duties applicable to automotive products as the Government of the United States may here-after enter into.

TITLE II-BASIC AUTHORITIES

IMPLEMENTATION OF THE AGREEMENT

Sec. 201. (a) The President is authorized to proclaim the modifications of the Tariff Schedules of the United States provided for in title IV of his Act.

(b) At any time after the issuance of the proclamation authorized by subsection (a), the President is authorized to proclaim further modifications of the Tariff Schedules of the

United States to provide for the duty-free treatment of any Canadian article which is original motor-vehicle equipment (as defined by such Schedules as modified pursuant to subsection (a)) if he determines that the importation of such article, is actually or potentially of commercial significance and that such duty-free treatment is required to carry out the Agreement.

IMPLEMENTATION OF OTHER AGREEMENTS

Sec. 202. (a) Whenever, after determining that such an agreement will afford mutual trade benefits, the President enters into an agreement with the government of a country providing for the mutual elimination of the duties applicable to products of their respective countries which are motor vehicles and fabricated components intended for use as original equipment in the manufacture of such vehicles, the President (in accordance with subsection (d)) is authorized to proclaim such modifications of the Tariff Schedules of the United States as he determines to be required to carry out such agreement.

(b) Whenever, after having entered into an agreement with the government of a country providing for the mutual elimination of the duties applicable to products described in subsection (a), the President, after determining that such further agreement will afford mutual trade benefits, enters into a further agreement with such government providing for the mutual reduction or elimination of the duties applicable to automotive products other than motor vehicles and fabricated components intended for use as original equipment in the manufacture of such vehicles, the President (in accordance with subsection (d)) is authorized to proclaim such modifications of the Tariff Schedules of The United states as he determines to be required to carry out such further agreement.

(c) Before the President enters into the negotiation of an agreement referred to in subsection (a) or (b), he shall--

(1) seek the advice of the Tariff Commission as to the probable economic effect of the reduction or elimination of duties on industries producing articles like or directly competitive with those which may be covered by such agreement;

(2) give reasonable public notice of his intention to negotiate such agreement (which notice shall be published in the Federal Register) in order that any interested person may have an opportunity to present his views to such agency as the President shall designate, under such rules and regulations as the President may prescribe; and

(3) seek information and advice with respect to such agreement from the Department of Commence, Labor, State, and the Treasury, and from such other sources as he may deem appropriate.

(d)(1) The President shall transmit to each House of the Congress a copy of each agreement referred to in subsection (a) or (b). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session.

(2) The President is authorized to issue any proclamation to carry out any such agreement--

(A) only after the expiration of the 60-day period following the date of delivery,

(B) only if, between the date of delivery and the expiration of such 60-day period, the Congress has not adopted a concurrent resolution stating in substance that the Senate and House of Representatives disapprove of the agreement, and

(C) in the case of any agreement referred to in subsection (b) with any country, only if there is in effect a proclamation implementing an agreement with such country applicable to products described in subsection (a).

(3) For purposes of paragraph (2) in the computation of the 60-day period there shall be excluded the days on which either House in not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

(e) This section shall cease to be in effect on the day after the date of the enactment of this Act.

EFFECTIVE DATE OF PROCLAMATIONS

Sec. 203. (a) Subject to subsection (b), the President is authorized, notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C., sec. 1514) or any other provision of law, to give retroactive effect to any proclamation issued pursuant to section 201 of this Act as of the earliest date after January 17, 1965, which he determines to he practicable.

(b) In the case of liquidated customs entries, the retroactive effect pursuant to subsection (a) of any proclamation shall apply only upon request therefor filed with the customs officer concerned on or before the 90th day after the date of such proclamation and subject to such other conditions as the President may specify.

TERMINATION OF PROCLAMATIONS

Sec. 204. The President is authorized at any time to terminate, in whole or in part, any proclamation issued pursuant to section 201 or 202 of this Act.

SPECIAL REPORTS TO CONGRESS

Sec. 205. (a) No later than August 31, 1968, the President shall submit to the Senate and the House of Representatives a special report on the comprehensive review called for by Article IV (c) of the Agreement. In such report he shall advise the

Congress of the progress made toward the achievement of the objectives of Article I of the Agreement

(b) Whenever the President finds that any manufacturer has entered into any undertaking, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1968, he shall report such finding to the Senate and the House of Representatives. The President shall also report whether such undertaking is additional to undertakings agreed to in letters of undertaking submitted by such manufacturer before the date of enactment of this Act.

(c) The reports provided for in subsections (a) and (b) of this section shall include recommendations for such further steps, including legislative action, if any, as may be necessary for the achievement of the purposes of the Agreement and this Act.

TITLE III-TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

GENERAL AUTHORITY

Sec. 301. Subject to section 302 of this Act, a petition may be filed for tariff adjustment or for a determination of eligibility to apply for adjustment assistance under title III of the Trade Expansion Act of 1962 (19 U.S.C., sec. 1901-1991) as though the reduction or elimination of a duty proclaimed by the President pursuant to section 201 or 202 of this Act were a concession granted under a trade agreement referred to in section 301 of the Trade Expansion Act of 1962.

SPECIAL AUTHORITY DURING TRANSITIONAL PERIOD UNDER THE AGREEMENT

Sec. 302. (a) After the 90th day after the date of the enactment of this Act and before July 1, 1968, a petition under section 301 of this Act for a determination of eligibility to apply for adjustment assistance may be filed with the President by--

(1) a firm which produces an automotive product, or its representative; or

(2) a group of workers in a firm which produces an automotive product, or their certified or recognized union or other duly authorized representative.

(b) After a petition is filed by a firm or group of workers under subsection (a), the President shall determine whether--

(1) dislocation of the firm or group of workers has occurred or threatens to occur;

(2) production in the United States of the automotive product concerned produced by the firm, or an appropriate subdivision thereof, and of the automotive product like or directly competitive therewith, has decreased appreciably; and

(3)(A) imports into the United States from Canada of the Canadian automotive product like or directly competitive with that produced by the firm, or an appropriate subdivision thereof, have increased appreciably; or

(B) exports from the United States to Canada of the United States automotive product concerned produced by the firm, or an appropriate sub-division thereof, and of the United States automotive product like or directly competitive therewith, have decreased appreciably, and the decrease in such exports is greater than the decrease, if any, in production in Canada of the Canadian automotive product like or directly competitive with the United States automotive product being exported.

(c) If the President makes an affirmative determination under paragraphs (1), (2), and (3) of subsection (b), with respect to a firm or group of workers, he shall promptly certify that as a result of its dislocation the firm or group of workers is eligible to apply for adjustment assistance, unless the President determines that the operation of the Agreement has not been the primary factor in causing or threatening to cause dislocation of the firm or group of workers.

(d) If the President makes an affirmative determination under paragraph (1) but a negative determination under paragraph (2) or (3) of subsection (b), with respect to a firm or group of workers, the President shall determine whether the operation of the Agreement has nevertheless been the primary factor in causing or threatening to cause dislocation of the firm or group of workers. If the President makes such an affirmative determination, he shall promptly certify that as a result of its dislocation the firm or group of workers is eligible to apply for adjustment assistance.

(e)(1) In order to provide the President with a factual record on the basis of which he may make the determinations referred to in subsections (b), (c), and (d) with respect to a firm or a group of workers, the President shall promptly transmit to the Tariff Commission a copy of each petition filed under subsection (a) and, not later than 5 days after the date on which the petition is filed, shall request the Tariff Commission to conduct an investigation related to questions of fact relevant to such determinations and to make a report of the facts disclosed by such investigation. In his request, the President may specify the particular kinds of data which he deems appropriate. Upon receipt of the President's request, the Tariff Commission shall promptly institute the investigation and promptly publish notice thereof in the Federal Register.

(2) In the course of each investigation conducted under paragraph (1), the Tariff Commission shall, after reasonable notice, hold a public hearing, if such hearing is requested (not later than 10 days after the date of the publication of its notice under paragraph (1)) by the petitioner or any other person showing a proper interest in the subject matter of the investigation, and shall afford interested persons an opportunity

to be present, to produce evidence, and to be heard at such hearing.

(3) Not later than 50 days after the date on which it receives the request of the President under paragraph (1), the Tariff Commission shall transmit to the President a report of the facts disclosed by its investigation, together with the transcript of the hearing and any brief, which may have been submitted in connection with such investigation.

(f)(1) The President shall make each final determination under subsection (b) (c), or (d) with respect to a firm or group of workers only after he has sought advice from the Departments of Commerce, Labor, and the Treasury, the Small Business Administration, and such other agencies as he may deem appropriate.

(2) The President shall make each such final determination not later than 15 days after the date on which he receives the Tariff Commission's report, unless, within such period, the President requests additional factual information from the Tariff Commission. In this event, the Tariff Commission shall, not later than 25 days after the date on which it receives the President's request, furnish such additional factual information in a supplemental report, and the President shall make his final determination not later than 10 days after the date on which he receives such supplemental report.

(3) The President shall promptly publish in the Federal Register a summary of each final determination under this section.

(g) Any certification with respect to a group of workers made by the President under this section shall--

(1) specify the date on which the dislocation began or threatens to begin; and

(2) be terminated by the President whenever he determines that the operation of the Agreement is no longer the primary factor in causing separations from the firm or subdivision thereof, in which case such termination shall apply only with respect to separations occurring after the termination date specified by the President.

(h) Any certification with respect to a firm or a group of workers or any termination of such certification, including the specification of a date in such certification or termination, made by the President under this section shall constitute a certification or termination, including the specification of a date therein, under section 302 of the Trade Expansion Act of 1962 (19 U.S.C., sec. 1902) for purposes of chapter 2 or 3 of title III of that Act.

(i) If a firm which has been certified under this section applies for tax assistance as provided by section 317 of the Trade Expansion Act of 1962, the reference in subsection (a) (2) of such section 317 to a trade or business which was seriously injured by increased imports which the Tariff Commission has determined to result from concessions granted under trade

agreements shall be treated as referring to a trade or business which was seriously injured by the operation of the Agreement.

(j) Notwithstanding any provision of chapter 3 of title III of the Trade Expansion Act of 1962 or of this title, applications based on any certification made by the President under this section for--

(1) trade readjustment allowances for weeks of unemployment beginning after January 17, 1965; and before the 90th day after the date of the enactment of this Act, and

(2) relocation allowances for relocations occurring after January 17, 1965, and before such 90th day, shall be determined in accordance with regulations prescribed by the Secretary of Labor.

(k) The President is authorized to exercise any of his functions under this section through such agency or other instrumentality of the United States Government as he may direct and in conformity with such rules or regulations as he may prescribe.

(l) For purposes of this section-

(1) The term "automotive product" means a motor vehicle or a fabricated component to be used as original equipment in the manufacture of motor vehicles.

(2) The term "dislocation" means-

(A) in the case of a firm, injury to the firm, which may be evidenced by such conditions as idling of productive facilities, inability to operate at a level of reasonable profit, or unemployment or underemployment, and which is of a serious nature; and

(B) in the case of a group of workers, unemployment or underemployment of a significant number or proportion of the workers of a firm or an appropriate subdivision thereof.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) The term "operation of the Agreement" includes governmental or private actions in the United States or Canada directly related to the conclusion or implementation of the Agreement.

ADJUSTMENT ASSISTANCE RELATED TO OTHER AGREEMENTS

Sec. 303. At the time the President transmits to the Congress a copy of any agreement pursuant to section 202(d) (1), he shall recommend to the Congress such legislative provisions concerning adjustment assistance to firms and workers as he determines to be

appropriate in light of the anticipated economic impact of the reduction or elimination of duties provided for by such agreement.

AUTHORIZATION OF APPROPRIATIONS

Sec. 304. There are hereby authorized to be appropriated such sums as may be necessary from time to time to carry out the provisions of this title, which sums are authorized to be appropriated to remain available until expended.

TITLE IV--MODIFICATION OF TARIFF SCHEDULES OF THE UNITED STATES

ENTRY INTO FORCE AND STATUS OF MODIFICATIONS

Sec. 401. (a) The modifications of the Tariff Schedules of the United States provided for in this title shall not enter into force except as proclaimed by the President pursuant to section 201(a) of this Act.

(b) The rates of duty in column numbered 1 of the Tariff Schedules of the United States which are modified pursuant to section 201(a) of this Act shall be treated

(1) as not having the status of statutory provisions enacted by the Congress, but

(2) as having been proclaimed by the President as being required to carry out a foreign trade agreement to which the United States is a party.

REFERENCES TO TARIFF SCHEDULES

Sec. 402. Whenever in this title a modification is expressed in terms of a modification of an item or other provision, the reference shall lie considered to be made to an item or other provision of the Tariff Schedules of the United States (19 U.S.C., sec. 1202). Each page reference "(p.)" in this title refers to the page on which the item or provision referred to appears both in part II of the Federal Register for August 57, 1963, and in volume 77A of the United States Statutes at Large.

DEFINITION OF CANADIAN ARTICLE

Sec. 403. In general headnote 3 (pp. 11 and 12) redesignate paragraphs (d), (e), and (f) as paragraphs (e), (f); and (g), respectively, and insert a new paragraph (d) as follows:

"(d) Products of Canada.

"(i) Products of Canada imported into the customs territory of the United States, whether imported directly or indirectly, are subject to the rates of duty set forth in column numbered 1 of the schedules. The rates of duty for a

Canadian article, as defined in subdivision (d) (ii) of this headnote, apply only as shown in the said column numbered 1.

"(ii) The term 'Canadian article', as used in the schedules, means an article which is the product of Canada, but does not include any article produced with the use of materials imported into Canada which are products of any foreign country (except materials produced within the customs territory of the United States), if the aggregate value of such imported materials when landed at the Canadian port of entry (that is, the actual purchase price, or, if not purchased, the export value, of such materials, plus, if not included therein, the cost of transporting such materials to Canada but exclusive of any landing cost and Canadian duty) was-

"(A) with regard to any motor vehicle or automobile truck tractor entered on or before December 31, 1967, more than 60 percent of the appraised value of the article imported into the customs territory of the United States; and

"(B) with regard to any other article (including any motor vehicle or automobile truck tractor entered after December 31, 1967), more than 50 percent of the appraised value of the article imported into the customs territory of the United States."

DEFINITION OF ORIGINAL MOTOR-VEHICLE EQUIPMENT

Sec. 404. In the headnotes for subpart B, part 6, schedule 6 add after headnote 1 (p. 325) the following new headnote:

"2. Motor Vehicles and Original Equipment Therefor of Canadian Origin.-(a) The term 'original motor-vehicle equipment', as used in the schedules with reference to a Canadian article (as defined by general headnote 3(d)), means such a Canadian article which has been obtained from a supplier in Canada under or pursuant to a written order, contract, or letter of intent of a bona fide motor- vehicle manufacturer in the United States, and which is a fabricated component intended for use as original equipment in the manufacture in the United States of a motor vehicle, but the term does not include trailers or articles to be used in their manufacture.

"(b) The term 'motor vehicle', as used in this headnote, means a motor vehicle of a kind described in item 692.05 or 692.10 of this subpart (excluding an electric trolley bus and a three-wheeled vehicle) or an automobile truck tractor.

"(c) The term 'bona fide motor-vehicle manufacturer', as used in this headnote, means a person who, upon application to the Secretary of Commerce, is deter- mined by the Secretary to have produced no fewer than 15 complete motor vehicles in the United States during the previous 12 months, and to have installed capacity in the United States to produce 10 or more complete motor vehicles per 40-hour week. The Secretary of Commerce shall maintain, and publish from time to time in the Federal Register,

a list of the names and addresses of bona fide motor-vehicle manufacturers.

"(d) If any Canadian article accorded the status of original motor-vehicle equipment is not so used in the manufacture in the United States of motor vehicles, such Canadian article or its value (to be recovered from the importer or other person who diverted the article from its intended use as original motor-vehicle equipment) shall be subject to forfeiture, unless at the time of the diversion of the Canadian article the United States Customs Service is notified in writing, and, pursuant to arrangements made with the Service-

"(i) the Canadian article is, under customs supervision, destroyed or exported, or

"(ii) duty is paid to the United States Government in an amount equal to the duty which would have been payable at the time of entry if the Canadian article had not been entered as original motor-vehicle equipment."

IDENTIFICATION OF AUTOMOTIVE PRODUCTS

SEC. 405. (a) Redesignate item 692.25 (p. 326) as 692.27; in headnote 1(b) of subpart B, part 6, schedule 6 (p. 325) substitute "item 692.27" in lieu of "item 692.25"; and insert in proper numerical sequence new items as follows.

692.06	If Canadian article, but not including any electric trolley bus, three-wheeled vehicle. or trailer accompanying an automobile truck tractor (see general headnote 3(d))	Free
692.11	If Canadian article, but not including any three-wheeled vehicle (see general headnote 3(d))	Free
692.21	Chassis, if Canadian article, except chassis for an electric trolley bus, or a three-wheeled vehicle; bodies (including cabs), if Canadian article and original motor-vehicle equipment (see headnote 2 of this subpart)	Free
692.23	Chassis, if Canadian article, except chassis designed primarily for a vehicle described in item 692.15 or a three-wheeled vehicle; bodies (including cabs), if Canadian article and original motor-vehicle equipment (see head-note 2 of this subpart)	Free
692.25	If Canadian article and original motor-vehicle equipment (see headnote 2 of this subpart)	Free
692.28	Automobile truck tractors, if Canadian article; other articles, if Canadian article and original motor-vehicle equipment (see headnote 2 of this subpart)	Free

(a) Insert in proper numerical sequence new items as follows:

361.90	Any article described in the foregoing items 360.20 to 360.70, inclusive, 360.80, 361.80, or 361.85. it Canadian article and original motor-vehicle equipment (see headnote 2, part 68. schedule 6).....Free
516.98	Any article described in the foregoing items 516.71 to 516.76, inclusive, or 516.94, if Canadian article and original motor-vehicle equipment (see headnote 2, part 60, schedule 6) .....Free
646.79	Any article described in the foregoing item 646.20 and items 646.40 to 646.78, inclusive (except 646.45 and 646.47), if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B. schedule 6).....Free
652.39	Any article described in the foregoing items 652.12 to 652.38, inclusive, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule (6).....Free
658.10	Any article described in the foregoing items 657.09 to 658.00, inclusive, it Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6).....Free
682.65	Any article described in the foregoing items 682.10 to 682.60, inclusive (except 682.50), if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6) .....Free
685.55	Any article described in the foregoing items 685.20 to 685.50, inclusive, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6).....Free
721.20	Any article in the foregoing items covering clocks, clock movements, clock cases and dials and parts thereof, plates (720.67), assemblies and subassemblies for clock movements, and other parts for clock movements, if Canadian article and original motor-vehicle equipment (see head-note 2, part 6B, schedule 6).....Free

(c) Insert in proper numerical sequence new items 355.27, 389.80, 728.30, 745.80, and 774.70, each having an article description and rate as follows:

	Any article described in the foregoing provisions of this sub-part, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6).....Free

(d) Redesignate item 613.16 as 613.18, item 652.85 as 652.84, item 652.87 as 652.88, item 680.34 as 680.33, item 680.58 as 680.60, item 680.59 as 680.70, item 680.60 as 680.90, and item

711.91 as 711.93; and insert in proper numerical sequence new items as follows:

207.01	652.89	683.11
220.46	660.43	683.16
357.91	660.45	683.61
357.96	660.47	683.66
358.03	660.51	684.41
517.82	660.53	684.63
535.1a	660.55	684.71
540.72	660.86	685.71
544.18	660.93	685.81
544.32	660.95	685.91
544.42	661.11	686.11
544.52	661.13	686.23
544.55	661.16	686.61
545.62	661.21	686.81
545.64	661.36	687.51
547.16	661.93	687.61
610.81	661.96	688.13
613.16	662.36	688.41
631.19	662.51	711.85
618.48	664.51	711.91
620.47	678.51	711.99
642.21	680.21	712.51
642.86	680.23	727.07
642.88	680.28	772.66
646.93	680.31	772.81
647.02	680.34	772.86
647.06	680.36	773.26
652.10	680.58	773.31
652.76	680.91	791.81
652.85	682.71	791.91
652.87	692.91	

each such item having the article description "If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6) * * *" subordinate to the immediately preceding article description, and having "Free" in rate of duty column numbered 1.

TITLE V--GENERAL PROVISIONS

AUTHORITIES

SEC. 501. The head of any agency performing functions authorized by this Act may-

(1) authorize the head of any other agency to perform any of such functions; and

(2) prescribe such rules and regulations as may be necessary to perform such functions.

ANNUAL REPORT

SEC. 502. The President shall submit to the Congress an annual report on the implementation of this Act. Such report shall include information regarding new negotiations, reductions or eliminations of duties, reciprocal concessions obtained, and other information relating to activities under this Act. Such report shall also include information providing an evaluation of the Agreement and this Act in relation to the total national interest, and specifically shall include, to the extent practicable, information with respect to-

(1) the production of motor vehicles and motor vehicle parts in the United States and Canada.

(2) the retail prices of motor vehicles and motor vehicles parts in the United States and Canada,

(3) employment in the motor vehicle industry and motor vehicle parts industry in the United States and Canada, and

(4) United States and Canadian trade in motor vehicles and motor vehicle parts, particularly trade between the United States and Canada.

APPLICABILITY OF ANTI-DUMPING AND ANTITRUST LAWS

SEC. 503. Nothing contained in this Act. shall be construed to affect or modify the provisions of the Anti-Dumping Act, 1921 (19 U.S.C. 160-173), or of any of the antitrust laws as designated in section 1 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12).

TITLE VI-MISCELLANEOUS PROVISIONS

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

SEC. 601. Section 601(e) of the Revenue Act of 1941 (55 Stat. 726) (relating to the Joint Committee on Reduction of Nonessential Federal Expenditures) is amended to read as follows:

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."

Approved October 21, 1965.

LEGISLATIVE HISTORY

House Reports: No. 537 (Committee on Ways and Means) and No. 1115 (committee of conference).
Senate Report No. 782 (Committee on Finance).
Congressional Record, vol. 111 (1965):

Aug. 31: Considered and passed House.
Sept. 28,29 Considered in Senate.
Sept. 30: Considered and passed Senate, amended.

Oct. 5: Senate agreed to conference report.
Oct. 8: House agreed to conference report.

Appendix D

PRESIDENTIAL DOCUMENTS
[From the Federal Register, vol. 30, No. 209, Oct. 28, 1965]

Title 3--The President

Proclamation 3682

Implementing Agreement Concerning Automotive Products Between the United States and Canada

By the President of the United States of America

A Proclamation

Whereas the United States and Canada on January 16, 1965, entered into an Agreement Concerning Automotive Products, which provides that Canada shall accord duty-free treatment to imports of certain automotive products of the United States and that, after enactment of implementing legislation, the United States shall accord duty-free treatment to certain automotive products of Canada retroactively to the earliest date administratively possible following the date on which the agreement has been implemented by Canada (art. II, 89th Cong. 1st sess., H. Rep. 537, 38);

Whereas the agreement of January 16, 1965, was implemented by Canada through the granting of the requisite duty-free treatment to United States products on January 18, 1965;

Whereas titles II and IV of the Automotive Products Trade Act of 1965 have been enacted to provide for modifications of the Tariff Schedules of the United States (19 U.S.C. 1202) to implement the agreement of January 16, 1965, such modifications to enter into force in the manner proclaimed by the President (79 Stat. 1016);

Whereas sections 201(a) and 203 of the Automotive Products Trade Act of 1965 authorize the President to proclaim the modifications of the Tariff Schedules of the United States provided for in sections 403, 404, and 405 of that Act with retroactive effect as of the earliest date after Janaury 17, 1965, which he determines to be practicable, and section 401(b) of that Act provides that the rates of duty in column numbered 1 of the tariff schedules that are modified pursuant to such proclamation shall be treated as having been proclaimed by the President as being required to carry out a foreign trade agreement to which the United States is a party (79 Stat. 1016); and

Whereas I determine that the earliest date, after January 17, 1965, as of which it is practicable to give retroactive effect to this proclamation is January 18, 1965;

Now, THEREFORE, I, Lyndon B. Johnson, under the authority vested in me by the Constitution and the statutes, particularly sections 201(a) and 203 of the Automotive Products Trade Act of 1965, do proclaim (1) that the modifications of the Tariff Schedules of the United States provided for in sections 403 and 404 of that Act shall enter into force on the day following the date of this proclamation and (2) that the modifications of the tariff schedules provided for in Section 405 of that Act shall enter into force on December 20, 1965, effective with respect to articles which are or have been entered for consumption, or for warehouse, on or after January 18, 1965.

In WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the City of Washington this twenty-first day of October in the year of our Lord nineteen hundred and sixty-five, and of the Independence of the United States of
[SEAL] America the one hundred and ninetieth.

Lyndon B. Johnson

By the President:
Dean Rusk,
Secretary of State.

[F.R. Doc. 65-11584; Filed, Oct. 25, 1965; 4:21 p.m.]

APPENDIX E

U.S. Bona Fide Motor Vehicle Manufacturers
(with renewal dates through August 1, 1988)

Airstream, Inc.
419 W. Pike Street
Jackson Center, OH 45334
January 1, 1988

Allan U. Bevier, Inc.
4514 Hollins Ferry Road
Baltimore, MD 21227
April 1, 1988

Allentown Brake & Wheel
Service, Inc.
P.O. Box 2088, R.D. #8
Allentown, PA 18001
October 19, 1987

Alloy Welding & Fab., Inc.
9761 Trevett Rd.
Boston, NY 14025
September 15, 1987

Amer. Semi Parts & Svc,Inc.
2814 North Cleveland Avenue
St. Paul, MN 55113
January 1, 1988

AM General Corporation
701 W. Chippewa Ave.
South Bend, IN 46680
September 19, 1987

A. M. Haire Body Co. Inc.
516 Pineywood Road
Thomasville, NC 27360
February 10, 1988

Amthor's Welding Svc., Inc.
Route 52 East
Walden, NY 12586
July 9, 1988

Arrowhead Equipment, Inc.
51 Boulevard
Glens Falls, NY 12801
May 1, 1988

Artco, Inc.
600 Brooks Avenue South
Thief River Falls, MN 56701
August 1, 1988

Automated Waste Equip Co.
P.O. Box 5757
Trenton, NJ 08648
September 1, 1987

Baillet's Garage, Inc.
RD 7, Box 88
Lehighton, PA 18235
May 1, 1988

Bankhead Enterprises, Inc.
1345 Bankhead Avenue
Atlanta, GA 30318
August 1, 1987

Benson Truck Bodies, Inc.
P.O. 49
Mineral Wells, WV 26150
August 1, 1988

Blue Bird Body Company
North Camellia Blvd
Fort Valley, GA 31030
January 19, 1988

B.M. Clark Company, Inc.
P.O. Box 185, St. Rte. 17
Union, ME 04862
January 14, 1988

Bob's Truck Body Repair
P.O. Box 198
Millington, MI 48746
February 1, 1988

Bowie Manufacturing, Inc.
313 S. Hancock
Lake City, IA 51449
May 1, 1988

Boyertown Auto Body Works
Third & Walnut Sts.
Boyertown, PA 19512-0418
September 1, 1987

Brake Service & Parts, Inc.
170 Washington St.
Bangor, ME 04401
August 1, 1987

Bremen Motor Corporation
425 Industrial Drive
Bremen, IN 46506
January 1, 1988

The Burke Company, Burke
Everest Division
8521 F.M. Road 1976
Converse, TX 78109
January 1, 1988

Bus Indus. of Amer., Inc.
Base Road, P.O. Box 449
Oriskany, NY 13424
April 1, 1988

Cargo Master, Inc.
P. O. Box 724
Goshen, IN 46526
March 14, 1988

Champion Motor Coach, Inc.
275 Graham Rd.
Imlay City, MI 48444
February 28, 1988

Chrysler Corporation
38111 Van Dyke Avenue
Sterling Heights, MI 48077
January 19, 1988

Clement Industries
Sibley Road
Minden, LA 71058-0914
August 1, 1988

Columbia ParCar Corp.
One Golf Car Road
Deerfield, WI 53531
February 1, 1988

Colombia Body & Equip. Co.
5525 S.E. 28th Avenue
Portland, OR 97202
March 1, 1988

Commercial Trk & Trlr, Inc.
313 N. State Street
Girard, OH 44420
January 1, 1988

Country Cruiser, Inc.
2206 Toledo Road (U.S. 20)
Elkhart, IN 46516
May 1, 1988

Corts Truck Equipment,Inc.
Mohawk Street
Whitesboro, NY 13492
May 1, 1988

Crane Carrier Company
1925 North Sheridan
Tulsa, OK 74158
January 1, 1988

Crenshaw Corporation
1700 Commerce Road
Richmond, VA 23224
July 1, 1988

Crown Coach Incorporated
13799 Monte Vista Avenue
Chino, CA 91710
January 1, 1988

Daleiden's Inc.
425 E. Vine Street
Kalamazoo, MI 49001
March 25, 1988

Dempster Systems Inc.
U.S. Highway 123 North
Toccoa, GA 30577
February 1, 1988

Diamond Star Motors Corp.
100 N. Diamond-Star Parkway
Normal, IL 61761
July 1, 1988

Donovan Spring & Equip. Co.
50 Upton Street
Manchester, NH 03103
July 1, 1988

Dresser Industries, Inc.
WABCO Haulpak Division
Peoria, IL 61639
February 1, 1988

Duplex Trk Div, Nolan Co.
600 Boyce Drive
Bowerston, OH 44695
October 1, 1987

Duralite Truck Body &
Container Corp.
1300 Bush Street
Baltimore, MD 21230
January 1, 1988

Eastern Tank Corporation
290 Pennsylvania Avenue
Paterson, New Jersey 07503
January 1, 1988

Eight Point Trlr. Corp.
6100 E. Washington Blvd.
Los Angeles, CA 90040
January 18, 1988

Excalibur Auto. Corp.
1735 S. 106th Street
Milwaukee, WI 53214
January 1, 1988

E & R Trlr Sales & Svc.
Rt. #1, Box 34
Middle Point, OH 45863
January 1, 1988

Esquire, Inc.
21861 Protecta Drive
Elkhart, IN 46516
January 1, 1988

Equipment Service, Inc.
40 Airport Road
Hartford, CT 06114
April 1, 1988

Federal Motors, Inc.
3611 S.W. 20th Street
Ocala, FL 32678
January 1, 1988

Ford Motor Company
Parklane Towers, Suite 200
Dearborn, MI 48126
January 18, 1988

Four Seasons Mfg., Inc.
1011 E. 14th Street
Ft. Lupton, CO. 80621
January 1, 1988

Freightliner Corporation
4747 N. Channel Avenue
Portland, OR 97208
December 14, 1987

Frink America, Inc.
205 Webb Street
Clayton, NY 13624
October 1, 1987

Fruehauf Corporation
10900 Harper Avenue
Detroit, MI 48232-5238
December 1, 1987

FWD Corporation
105 East 12th Street
Clintonville, WI 54929
January 1, 1988

General Motors Corporation
3044 W. Grand Boulevard
Detroit, MI 48202
January 19, 1988

General Transervice, Inc.
2325 West Second Street
Chester, PA 19013
August 1, 1988

Gillig Corporation
25800 Clawiter Road
Hayward, CA 94545
January 1, 1988

Gooch Brake & Equipment Co.
506 Grand Avenue
Kansas City, MO 64106
January 1, 1988

The Greyhound Corp.
1742 Greyhound Tower
Phoenix, AZ 85077
August 1, 1987

Grumman Olson, a Div. of
Grumman Allied Industries
1801 S. Nottawa Rd.
Sturgis, MI 49091
January 1, 1988

Harley-Davidson, Inc.
3700 West Juneau Avenue
Milwaukee, WI 53208
January 1, 1988

Heil Equip Co. of Phila.
1223 Ridge Pike
Conshohocken, PA 19428
January 1, 1988

Heisler's Trucks & Parts
P.O. Box 1516
Mansfield, OH 44901
March 15, 1988

Hess & Eisenhardt
8959 Blue Ash Road
Cincinnati, OH 45242
January 1, 1988

Hews Company, Inc.
190 Rumery Street
South Portland, ME 04106
January 18, 1988

H.G. Anderson Equip. Corp.
480 South Street
Rensselaer, NY 12144
October 4, 1987

Hilbilt Mfg. Co., Inc.
Rt. 7 Box 5089
Benton, AR 72015
January 1, 1988

Hobbs Equip. Co., Inc.
69 Keeler Avenue
Norwalk, CT 06856
August 1, 1988

Holiday Rambler Corporation
65906 State Road 19
Wakarusa, IN 46573
January 1, 1988

Honda of America Mfg., Inc.
24000 U.S. Route 33
Marysville, OH 43040
January 1, 1988

Honey RVs, Inc.
1809 W. Hively
Elkhart, IN 46517
January 1, 1988

Howe Brothers, Inc.
R.D. 6, Box 16
Troy, NY 12180
April 1, 1988

Hulet Body Co.
8578 Witt Street
Detroit, MI 48029
January 1, 1988

Iowa Mold Tooling Co., Inc.
500 Highway 18 West
Garner, IA 50438
June 1, 1988

Iroquois Mfg. Co., Inc.
Richmond Road
Hinesburg, VT 05461
March 1, 1988

Isometrics, Inc.
1402 N. Scales Street
Reidsville, NC 27320
March 31, 1988

John Evans Mfg. Co.
P.O. Box 669
Sumter, SC 29151
October 1, 1987

F.L. Jursik Co.
245 Victor Avenue
Highland Park, MI 48203
July 1, 1987

Kaffenbarger Welding Co.
10100 Ballentine Pike
New Carlisle, OH 45344
January 1, 1988

Kawasaki Motors Mfg. Corp.
6600 Northwest 27th St.
Lincoln, NE 68524
January 1, 1988

Kelton Motors, Inc.
P.O. Box 1100, Rte. 14
White Rvr Junct., VT 05001
March 3, 1988

Kencar Equipment Co.
1906 Lakeview Ave.
Dayton, OH 45408
January 1, 1988

L & I, Inc.
108 Blacks Road
Chesire, CT 06410
March 1, 1988

Liberty Equipment Sales
82 Cherry Street
East Hartford, CT 06108
March 1, 1988

Liddell-Birmingham Trlr Co.
193 Main Street
Springville, AL 35146
August 1, 1987

LoDal, Inc.
East Blvd., P.O. Box 2315
Kingsford, MI 49801
April 1, 1988

Long Trailer Services, Inc.
P.O. Box 5105
Greenville, SC 29606
January 1, 1988

M & M Equipment Inc.
P.O. Box 152
Lebanon, NH 03766
March 15, 1988

Mack Trucks, Inc.
Box M
Allentown, PA 18105
January 1, 1988

Marion Body Works, Inc.
P.O. Box 500
Marion, WI 54950
January 1, 1988

Marmon Motor Company
P.O. Box 462009
Garland, TX 75046
September 1, 1987

Mazda Motor Mfg. (U.S.A.)
1 Mazda Drive
Flat Rock, MI 48134
August 15, 1988

McGraw Commer. Equip. Co.
7200 East Fifteen Mile Road
Sterling Heights, MI 48077
August 1, 1988

Meadows Hydraulics Sales & Service, Inc.
U.S. Rte. 13 & S. Div. St.
Fruitland, MD 21826
October 29, 1987

Mercedes-Benz Truck Co.
4747 North Channel Avenue
Portland, OR 97208
January 1, 1988

Moore & Sons, Inc.
2900 Airways Blvd.
Memphis, TN 38130
January 1, 1988

Motor Trans. Services, Inc.
44 River Street
Cortland, NY 13045
August 1, 1988

Morgan Corporation
One Morgan Way
Morgantown, PA 19543
June 1, 1988

Multi Body & Hoist Corp.
180 Varick Avenue
Brooklyn, NY 11237
January 1, 1988

Mutual Wheel Company
2345 Fourth Avenue
Moline, IL 61265
August 1, 1988

Navistar International
401 North Michigan Avenue
Chicago, IL 60611
January 18, 1988

Nelson Mfg. Co.
6448 US Route 224
Ottawa, OH 45875
January 1, 1988

Neoplan USA Corporation
700 Gottlob Auwaerter Drive
Lamar, CO 81052
January 1, 1988

Newmar Corporation
355 N. Delaware Street
Nappanee, IN 46550
January 1, 1988

New Harrisburg Trk Body Co.
408 Sheely Lane
Mechanicsburg, PA 17055
February 29, 1988

New Flyer of America, Inc.
30361 Whipple Road
Union City, CA 94587
May 16, 1988

New United Motor Mfg., Inc.
45500 Fremont Blvd.
Fremont, CA 94638
January 1, 1988

Nissan Motor Mfg. Corp.
Nissan Drive
Smyrna, TN 37167
June 1, 1988

Novi Manufacturing Company
25701 Seeley Road
Novi, MI 48050-2793
November 1, 1987

Obrecht Trailer Mfg. Inc.
705 East New York Street
Knox, IN 46534
August 1, 1987

Ohio Truck Equipment, Inc.
4100 Rev Drive
Cincinnati, OH 45232
December 10, 1987

Oilmen's Truck Tanks, Inc.
a Sub of Oilmens's Equip.
140 Cedar Spring Road
Spartanburg, SC 29304
April 1, 1988

Oshkosh Truck Corporation
2307 Oregon Street
Oshkosh, WI 54903
January 18, 1988

Osterlund, Inc.
711 Gibson Boulevard
Harrisburg, PA 17105
June 1, 1988

Ottawa Truck Corporation
415 East Dundee Street
Ottawa, Kansas 66067
October 1, 1987

Outboard Marine Coporation
100 Sea-Horse Drive
Waukegan, IL. 60085
January 18, 1988

Paccar, Inc. d/b/a Kenworth
Truck Co.& Peterbilt Mtr Co.
P.O. Box 1518
Bellevue, WA 98009
January 18, 1988

Pathfinder Equipment Co.
15421 E. Gale Avenue
City of Industry, CA 91745
January 1, 1988

Petroleum Equip. Supply Co.
34 Fulton St.
New Haven, CT 06512
January 1, 1988

Phoenix Mfg. Inc.
375 West Union Street
Nanticoke, PA 18634
February 21, 1988

Pioneer Heavy Duty Parts
2000 Fall River Ave./Rt. 6
Seekonk, MA 02771
August 1, 1988

P-M Equipment Sales, Inc.
114 East Oak Road
Vineland, NJ 08360
April 1, 1988

Polaris Industries
1225 North County Road
Plymouth, MN 55441
February 1, 1988

C.E. Pollard Company
13575 Auburn Avenue
Detroit, MI 48223
November 1, 1987

Power Brake Svc. Equip. Co.
1022 Carnegie Avenue
Cleveland, OH 44115-2880
December 31, 1987

PSI Mobile Products, Inc.
25 Eldredge
Mt Clemens, MI 48043
July 1, 1987

Quality Coaches, Inc.
52743 Stephen Place
Elkhart, IN 46514
January 1, 1988

Quality Manufacturing, Inc.
1420 Nimitz Avenue
Talladega, AL 35160
April 1, 1988

Recreatives Indus., Inc.
60 Depot Street
Buffalo, NY 14206
July 13, 1988

Reliable Spring Co., Inc.
19622 - 97th Avenue
Mokena, IL 60448
August 1, 1987

Roadmaster, Div. of Monaco Coach Corp.
325 East First St.
Junction City, OR 97448
January 1, 1988

R/S Truck Body Co., Inc.
P.O. Box 420
Allen, KY 41601
September 23, 1987

Ryder Truck Rental, Inc.
4709 West 96th Street
Indianapolis, IN 46268
January 1, 1988

Schien Body and Equip. Co.
Box 229
Carlinville, IL 62626
August 1, 1988

Scientific Brake & Equip.
314 W. Genesee Avenue
Saginaw, MI 48602
January 10, 1988

Shelby Automobiles, Inc.
12444 E. Putnam Street
Whittier, CA 90602
June 1, 1988

Shuttlecraft USA, Inc.
2803 Murray Road
Estherville, IA 51334
February 1, 1988

Skillcraft Industries, Inc.
355 Center Ct.
Venice, FL 33595
September 1, 1987

Somerset Welding & Steel
733 S. Center Avenue
Somerset, PA 15501-0735
January 1, 1988

Southern Truck Equip. Inc.
4444 East Tennessee
Tuscon, AZ 85714
May 15, 1988

Superior Coaches, Div. of
NEOAX Inc.
600 East Wayne Street
Lima, OH 45802
September 1, 1987

Supreme-Jannell Corporation
840 Cumberland Hill Rd.
Woonsocket, RI 02895
January 1, 1988

Taylor-Dunn Mfg. Co.
2114 West Ball Road
Anaheim, CA 92804
October 3, 1987

The Flxible Corporation
970 Pittsburgh Drive
Delaware, OH 43015
October 31, 1987

The Ness Company, Inc.
270 N. Zarfoss Drive
York, PA 17405
January 1, 1988

The New Avanti Motor Corp.
1250 Albert Street
Youngstown, OH 44505
April 1, 1988

The Truck Engineering Co.
4401 Bluffton Road
Fort Wayne, IN 46809
August 1, 1987

Thiele, Inc.
Rt. 56 at Spruce St.
Windber, PA 15963
June 16, 1987

Thomas Built Buses, Inc.
1408 Courtesy Road
High Point, NC 27261
March 1, 1988

Toyota Motor Mfg. U.S.A.
1001 Cherry Blossom Way
Georgetown, KY 40307
July 31, 1988

Tracey Road Equipment, Inc.
Manlius Center Road
East Syracuse, NY 13057
February 19, 1988

Transport Equipment Co.
3400 Sixth Ave. South
Seattle, WA 98124
January 18, 1988

Travel Craft Industries,
1135 Kent Street
Elkhart, IN 46514
January 1, 1988

Truck Parts & Equipment Co.
2120 Southwest Blvd.
Tulsa, OK 74107
October 1, 1987

Truck Parts & Equip., Inc.
4501 W. Esthner
Wichita, KS 67209
December 11, 1987

Truck & Trailer Equip. Co.
4214 West Mt. Hope Road
Lansing, MI 48917
August 1, 1988

Trotter Equipment, Inc.
Outer Washington St. Road
Watertown, NY 13601
March 1, 1988

T & T Sales, Inc.
409-411 Old Niskayuna Rd.
Latham, NY 12110
April 1, 1988

U-Haul International, Inc.
2727 North Central Avenue
Phoenix, AZ 85036
March 14, 1988

Unicell Body Co., Inc.
571 Howard St.
Buffalo, NY 14240
January 1, 1988

Union City Body Co., Inc.
350 W. Deerfield Rd.
Union City, IN 47390
September 1, 1987

Unit Rig & Equip. Co.
5400 S. 49th West Avenue
Tulsa, OK 74107
January 1, 1988

USA Motor Corporation
1718 West Bike Street
Bremen, IN 46506
January 1, 1988

U.S. Truck Body Co., Inc.
445 Northern Boulevard
Great Neck, NY 11021
January 1, 1988

Utilimaster Corporation
65266 State Road
Wakarusa, IN 46573
January 1, 1988

Valley Truck & Equip. Co.
9776 Trevett Road
Boston, NY 14025
October 1, 1987

Van Con Inc.
123 Williams Street
Middlesex, NJ 08846
September 1, 1987

Viking-Cives, Inc.
P.O. Box 218
Harrisville, NY 13648
February 15, 1988

Vixen Motor Company
#1 Silverdome Indus Park
Pohtiac, MI 48057
February 15, 1988

VME Americas Inc.
23001 Euclid Avenue
Cleveland, OH 44117-8017
January 16, 1988

Volkswagen of America, Inc.
P.O. Box 3951
Troy, MI 48007-3951
October 11, 1987

Walter Truck Corporation
Northeastern Indus Park
Guilderland Cntr, NY 12085
January 1, 1988

Water Services of America
8165 W. Tower Ave.
Milwaukee, WI 53223
January 1, 1988

Wayne Corporation
Industries Road
Richmond, IN 47375
January 26, 1988

W.F. Mickey Body Co., Inc.
1505 Bethel Drive
High Point, NC 27261
September 24, 1987

Winnebago Industries, Inc.
P.O. Box 152
Junction of Highways 9 & 69
Forest City, IA 50436
March 19, 1988

C. N. Wood Co., Inc.
326 Commercial St.
Malden, MA 02148
July 1, 1987

Wyman's Meter & Tank
Equipment Co., Inc.
P.O. Box 541
Montpelier, VT 05602
July 1, 1987

APPENDIX F

COMPANIES OPERATING UNDER THE MOTOR VEHICLES TARIFF ORDER 1988

Name and Location	Considered as Manufacturer of:
AMI Stego Limited	Specified Commercial Vehicles
Almac Industries Ltd. Pointe Aux Trembles, Quebec	Specified Commercial Vehicles
Amertek Inc. Woodstock, Ontario	Specified Commercial Vehicles
B.K. & B. Truck Bodies Limited	Specified Commercial Vehicles
Babcock Motor Bodies Limited Toronto, Ontario	Specified Commercial Vehicles
Back Motor Bodies Ltd. Toronto, Ontario	Specified Commercial Vehicles
Canadian Blue Bird Coach Ltd Brantford, Ontario	Buses
Chrysler Canada Ltd. Ontario	Automobiles, Buses and Windsor, Specified Commercial Vehicles
Collins Manufacturing Co. Ltd. Burnaby, British Columbia	Specified Commercial Vehicles
Diesel Equipment Limited Toronto, Ontario	Specified Commercial Vehicles
Eastern Steel Products/Frink Canada, Division of Compro Ltd. Cambridge (Preston), Ontario	Specified Commercial Vehicles
Edmonton Truck Body Ltd. Edmonton, Alberta	Specified Commercial Vehicles
Elcombe Engineering Ltd.	Specified Commercial Vehicles
F.W.D. Corporation	Specified Commercial Vehicles
Fawcett Van & Stake Ltd.	Specified Commercial Vehicles
Fleet Truck Bodies Montreal, Quebec	Specified Commercial Vehicles

Ford Motor Company of Canada Ltd. Oakville, Ontario	Automobiles, Buses and Specified Commercial Vehicles
Forman Tank & Welding, Ltd. St. Mary's, Ontario	Specified Commercial Vehicles
Fort Garry Industries Ltd. Winnipeg, Manitoba	Specified Commercial Vehicles
Freightliner of Canada Ltd. Burnaby, British Columbia	Specified Commercial Vehicles
G. & G. Welding St. Leonard, Quebec	Specified Commercial Vehicles
G.R. Patsone Ltd.	Specified Commercial Vehicles
General Motors of Canada Ltd. Oshawa, Ontario	Automobiles, Buses and Specified Commercial Vehicles
H.E. Brown Supply Co. North Bay, Ontario	Specified Commercial Vehicles
Hutchinson Industries Downsview, Ontario	Specified Commercial Vehicles
Ideal Body Limited Quebec, Quebec	Specified Commercial Vehicles
Kaiser Jeep of Canada Limited	Specified Commercial Vehicles
Mond Industries Limited Toronto, Ontario	Specified Commmercial Vehicles
Motor Coach Industries Limited Winnipeg, Manitoba	Buses
Multi-Vans Inc. Bolton, Ontario	Specified Commercial Vehicles
Navistar International Corp., Canada Hamilton, Ontario	Specified Commercial Vehicles and Buses
New Flyer Industries Limited Ottawa, Ontario	Buses
Paccar Canada Ltd. (M) Ottawa, Ontario	Specified Commercial Vehicles

Phil Larochelle Equipment Inc. Quebec, Quebec	Specified Commercial Vehicles
Pitman Manufacturing Co. Inc. Markham, Ontario	Specified Commercial Vehicles
Prevost Car Inc. Ste. Claire Dorchester, Quebec	Buses
Reliance Truck and Equipment Surrey, British Columbia	Specified Commercial Vehicles
Soudure G. & G. Ltee	Specified Commercial Vehicles
Swarz Motor Bodies Limited Toronto, Ontario	Specified Commercial Vehicles
The Electric & Gas Welding Co. Ltd.	Specified Commercial Vehicles
Thomas Built Buses of Canada Ltd. Woodstock, Ontario	Buses
Trailmobile Group of Co. Ltd. Brantford, Ontario	Specified Commercial Vehicles
Universal Sales Limited Saint John, New Brunswick	Specified Commercial Vehicles
Volvo Canada Ltd. Toronto, Ontario	Automobiles
W.H. Olsen Manufacturing Co. Ltd.	Specified Commercial Vehicles
Walinga Body & Coach Limited Guelph, Ontario	Specified Commercial Vehicles
Welles Corporation Limited (M) Windsor, Ontario	Buses and Specified Commercial Vehicles
Wilson Motor Bodies Ltd.	Specified Commercial Vehicles
Wilson's Truck Body Shop Ltd.	Specified Commercial Vehicles

COMPANIES OPERATING UNDER INDIVIDUAL SPECIAL ORDERS-IN-COUNCIL GRANTING SIMILAR BENEFITS PROVIDED IN MVTO.

Advance Engineering Products Ltd. Regina, Saskatchewan	Specified Commercial Vehicles
Alforge Metals Corporation Ltd.	Specified Commercial Vehicles
Atlas 2,000 Inc.	Specified Commercial Vehicles
Bombardier Inc., Logistic Equipment Division Valcourt, Quebec	Specified Commercial Vehicles and Automobiles
Capital Disposal Equipment Inc. Rexdale, Ontario	Specified Commercial Vehicles
Capital Truck Bodies Ottawa, Ontario	Specified Commercial Vehicles
Care Equipment Mfg. Co. Ltd. Breslan, Ontario	Specified Commercial Vehicles
Central Truck Body Co. Ltd. Weston, Ontario	Specified Commercial Vehicles
Champion Truck Bodies Limited Montreal, Quebec	Specified Commercial Vehicles
Childs Truck Bodies Ltd. Stoney Creek, Ontario	Specified Commercial Vehicles
Commercial Vans Ltd. Brampton, Ontario	Specified Commercial Vehicles
Contran Manufacturing Ltd. London, Ontario	Specified Commercial Vehicles
Cypress Equipment Ltd.	Off-Highway Vehicles
D. & C. Roussy Industries Ltd. London, Ontario	Specified Commercial Vehicles
Dempster Systems Limited Toronto, Ontario	Specified Commercial Vehicles
Dependable Truck & Tank Repairs Ltd. Brampton, Ontario	Specified Commercial Vehicles

Dominion Truck Bodies Ltd. Mississauga, Ontario	Specified Commercial Vehicles
Dresser Canada, Inc. Mississauga, Ontario	Specified Commercial Vehicles
Eastway Tank, Pump & Meter Company Ltd. Nepean, Ontario	Specified Commercial Vehicles
Equipement Labrie Ltee Beaumont, Quebec	Specified Commercial Vehicles
F.A.D. Industries Inc. Winnipeg, Manitoba	Specified Commercial Vehicles
Fabricarts Boites de Camions BEL (1986) Inc. Longueuil, Quebec	Specified Commercial Vehicles
Fanotech Industries Inc.	Specified Commercial Vehicles
General Motors of Canada Ltd. London, Ontario	Off-Highway Vehicles
George C. Doerr Body and Trailer Co. Cambridge, Ontario	Specified Commercial Vehicles
G.G. Cargo Trailer Industries Ltd. Winnipeg, Manitoba	Specified Commercial Vehicles
Girardin Corporation Cambridge, Ontario	Buses
Hal-Vey Industries Ltd. Calgary, Alberta	Specified Commercial Vehicles
IMT Cranes Canada, Ltd.	Specified Commercial Vehicles
Intercontinental Truck Body B.C. Inc. Surrey, British Columbia	Specified Commercial Vehicles
Intercontinental Truck Body Ltd. Coaldale, Alberta	Specified Commercial Vehicles
Jean-Marc Vigeant Inc.	Specified Commercial Vehicles

L. Knight & Co. Ltd. Langley, British Columbia	Specified Commercial Vehicles
Lennoxvan (1986) Inc. Lennoxville, Quebec	Specified Commercial Vehicles
Les Carrosseries Fontaine (1979) Ltee	Specified Commercial Vehicles
Les Entreprises Michel Corbeil Inc.	Buses
Mack Trucks Manufacturing Co. of Canada, Inc. Islington, Ontario	Specified Commercial Vehicles Off-Highway Vehicles
Marathon Electric Vehicles Inc. St. Leonard Montreal, Quebec	Specified Commercial Vehicles
McEwan-Tougard Industries Ltd. Bracebridge, Ontario	Specified Commercial Vehicles
Minoru Truck Bodies Ltd. Richmond, British Columbia	Specified Commercial Vehicles
Motor Coach Industries Ltd. Winnipeg, Manitoba	Buses
Navistar International Corp., Canada Hamilton, Ontario	Specified Commercial Vehicles and Buses
Ontario Bus Industries Limited Missisauga, Ontario	Buses
Ontario Fiberglass Production O/B 536794 Ont. Ltd.	Specified Commercial Vehicles
Ottawa Truck Bodies Ltee/Ltd. Ottawa, Ontario	Specified Commercial Vehicles
Paccar Canada, Ltd. Owen Sound, Ontario	Off-Highway Vehicles
Pacific Truck & Trailer Ltd. Vancouver, British Columbia	Off-Highway Vehicles
Parco-Hesse Corporation Inc. Granby, Quebec	Specified Commercial Vehicles

Peabody Myers (Canada), Division of Peabody International Canada Ltd.	Specified Commercial Vehicles
Phil Larochelle (1977) Quebec, Quebec	Specified Commercial Vehicles
PK Welding & Fabricators Limited Oshawa, Ontario	Specified Commercial Vehicles
Pollock Truck Bodies, Division of Pollock Rentals Ltd. Strathoy, Ontario	Specified Commercial Vehicles
Quebec Truck Bodies Boites de Camions Inc. Montreal, Quebec	Specified Commercial Vehicles
Raytel Equipment Ltd. Calgary, Alberta	Specified Commercial Vehicles
Rebel Steel Industries Ltd. Calgary, Alberta	Specified Commercial Vehicles
Remtec Inc. Chambly, Quebec	Specified Commercial Vehicles
Roberts Truck Equipment Ltd.	Specified Commercial Vehicles
Rubber Railway Company Ltd.	Specified Commercial Vehicles
Sentinal Vehicles Limited	Specified Commercial Vehicles
SMI Industries Canada Ltd. Ste-Foy, Quebec	
Sturdy Truck Body (1972) Limited Kitchener, Ontario	Specified Commercial Vehicles
Superior Bus Mfg. Ltd. Morris, Manitoba	Specified Commercial Vehicles
Teal Manufacturing Ltd. Windsor, Ontario	Specified Commercial Vehicles
Thermo King Western Ltd. Edmonton, Alberta	Specified Commercial Vehicles
Tipping Motor Bodies Limited Schomberg, Ontario	Specified Commercial Vehicles

Tor Truck Corporation Mississauga, Ontario	Specified Commercial Vehicles
Transit Van Bodies Inc. Laval, Quebec	Specified Commercial Vehicles
Triangle Truck Equipment Ltd. Waterloo, Ontario	Specified Commercial Vehicles
Truck Equipment & Service Co. Ltd. Agincourt, Ontario	Specified Commercial Vehicles
Unit Rig & Equipment Co. (Canada) Ltd.	Off-Highway Vehicles
Universal Carrier Manufacturing Ltd.	
Universal Handling Equipment Co. Hamilton, Ontario	Specified Commercial Vehicles
Univision Industries Limited Biggar, Saskatchewan	Specified Commercial Vehicles
Vennes Boite de Camion Inc. Shawinigan, Quebec	Specified Commercial Vehicles
VME Canada Guelph, Ontario	Off-Highway Vehicles
Vulcan Equipment Company Limited Scarborough, Ontario	Specified Commercial Vehicles
Walter Canada Inc.	
Welles Corporation Limited Windsor, Ontario	Buses and Specified Commercial Vehicles
Western Rock Bit Company Limited Calgary, Alberta	Specified Commercial Vehicles
Western Star Trucks, Inc. Kelowna, British Columbia	Specified Commercial Vehicles
Western Utilities Equipment Co. Ltd. Winnipeg, Manitoba	Specified Commercial Vehicles
Wheels, Brakes and Equipment Ltd.	Specified Commercial Vehicles

White Motor Corporation of Canada Limited	Specified Commercial Vehicles
Wilcox Bodies Limited Mississauga, Ontario	Specified Commercial Vehicles
Wilson's Truck Bodies, a Division of L & A Machine (N.S.L. Limited) Truro, Nova Scotia	Specified Commercial Vehicles
Wiltsie Truck Bodies Ltd. Aylmer West, Ontario	Specified Commercial Vehicles